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BRITISH IMPERIALISM IN INDIA

BRITISH IMPERIALISM IN INDIA

PREPARED FOR THE LABOUR RESEARCH
DEPARTMENT

by
JOAN BEAUCHAMP

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NOTE ON CURRENCY

In 1898-1920 the official rate of exchange was 15 rupees to the pound (R.1 = 1s. 4d., Rs. 1 crore = £666,666.)

From 1920-1927 the official rate was 10 rupees to the pound (R.1 = 2s., Rs. 1 crore = £1,000,000), but in practice the Government failed from 1923 onwards to keep the rupee up to this high value, and there were many fluctuations. The average rate of exchange of the rupee was: 1923-24, 1s. 5d.; 1924-25, 1s. 5½d.; 1925-26, 1s. 6d.; and 1926-27, 1s. 6d. In March 1927 it was stabilized at the rate of 13⅓ rupees to the pound (R.1 = 1s. 6d., Rs. 1 crore = £750,000.)

CHAPTER I
THE CONQUEST OF INDIA

“Capitalism has developed into a universal system of colonial oppression and the financial strangling by a handful of advanced countries of the gigantic majority of the people of the earth.”

—LENIN

CHAPTER I

THE CONQUEST OF INDIA

MANY people refer to India as "The brightest jewel in Britain's imperial crown" without at all understanding her great importance as the main factor in Great Britain's rise to the position of a power of the first magnitude. The plunder and exploitation of a sub-continent of nearly two million square miles gave Great Britain an inestimable advantage in the race for supremacy among the European nations, and her position as the controller of the market of a foreign population of three hundred million people gave immense impetus to her industrial development and enabled her to outstrip all competitors in the early years of the nineteenth century.

British capitalist imperialism was built up on the basis of the exploitation of India, which took different forms according to the stage reached by the economic development of the exploiting country. During the seventeenth and eighteenth centuries the plunder of India was the chief source of the accumulation which made possible the development of industrial capitalism in Britain, and in the nineteenth India provided the principal market for British manufacturers, while at the same time the economic drain of her resources was ruthlessly continued. British capital investment in India, together with intense exploitation of Indian labour, backed by all the forces of the Crown, represents the third and final stage in the system of robbery, for it is a method which carries within it the seeds of its own destruction.

Although, among a population of over three hundred and fifty-two million, there are only 175,000 Europeans (apart from 113,000 Eurasians whose sympathies may well be on the Indian side), the whole of India, with the exception of one or two tiny areas belonging to France and Portugal, is under the heel of Great Britain. It is true that the Native States are nominally governed by Indian Princes, under the suzerainty of the King, but these princes are only the paid servants of the British administration and each one knows (sometimes by bitter experience) that he will lose his position and a goodly income unless he carries out the will and respects the whims of the "supreme government". The princes are the sole relics of the ancient feudal system of India and would have been swept out of the way long ago by the onward march of a new economic system, had they not been supported by the British power; hence they normally show an enforced loyalty to their masters and are preserved by them as allies against the Indian bourgeoisie and a useful makeweight on the side of reaction.

The Native States cover about 39 per cent. of the total area, but only about 23 per cent. (81 millions) of the population. The biggest of these States is Hyderabad, which is about the size of Italy and has a population of 12 millions. Their external relations, defence, etc., are entirely in the hands of the British Government, and for internal purposes their territories are in the same position as those of British India. The position of their ruling chiefs is summed up by Sir Henry Cotton as follows:

It would perhaps be ungenerous to probe too narrowly the dependent position and consequent involuntary action of the feudatory chiefs. They are powerless to protect themselves. There is no judicial authority to which they can appeal. There is no public opinion to watch their interests. Technically independent under the

suzerainty of the Empire, they are practically held in complete subjection. Their rank and honours depend on the pleasure of a British Resident at their Court, and on the secret and irresponsible mandates of a Foreign Office at Simla.¹

British India, which has a population of 271 millions and an area of over a million square miles, is under the direct rule of the British Government, exercised through the Secretary of State for India, who can impose his orders on the British administrative officials, the Governor-General or Viceroy (so-called since 1858) and his Council. The Viceroy is appointed by the crown and holds office for five years. India is a member of the League of Nations and is represented at Geneva as a unit by a delegation which includes a ruler of a native State, but this does not in any way alter the fact that it is a subject colonial country.

India in the seventeenth and eighteenth centuries, when the traders of various European nationalities were struggling one against the other to gain the monopoly of Indian trade, was not a unified nation but a geographical entity containing a number of diverse communities of different races and tribes divided by language, religion and grades of culture. | The early history of Northern India is a history of immigrations, invasions and raids.

In South India the Dravidian tribes remained in undisturbed possession, and apart from internal strife among the local chiefs there was little to disturb | the isolated and self-sufficing economy of the village communities. / But waves of invasion swept over Northern India from Afghanistan, and Central Asia—Aryans, Persians, Huns, Scythians, and finally Mohammedans. For more than four centuries a ruthless struggle raged between

¹ *New India*, by Sir Henry Cotton, K.C.S.I.

the Mohammedan invaders and the native Hindus, and the establishment in 1526 of the Mogul Empire with rulers wise enough to cease persecuting the Hindus gave Northern India its first period of settled rule. But the feudal imperialism of the Mogul emperors did not rest upon the support of any indigenous social class, and they were quite unable to weld the various races and patriarchal tribes of India into a nation, though they managed for a time, by their superior fighting power, to bring the greater part of the country under one central state. But the real and permanent strength of Indian society at this time lay in the decentralized village communities, which were not disintegrated by the advent of higher political institutions from outside. These village communities were well described by Marx in the following passage:

Those small and extremely ancient Indian communities, some of which have continued down to this day, are based on possession in common of the land, on the blending of agriculture and handicrafts, and on an unalterable division of labour, which serves, whenever a new community is started, as a plan and scheme ready cut and dried. Occupying areas of from 100 up to several thousand acres, each forms a compact whole producing all it requires. The chief part of the products is destined for direct use by the community itself, and does not take the form of a commodity. Hence, production here is independent of that division of labour brought about, in Indian society as a whole, by means of the exchange of commodities. It is the surplus alone that becomes a commodity, and a portion of even that, not until it has reached the hands of the State, into whose hands from time immemorial a certain quantity of these products has found its way in the shape of rent in kind. The constitution of these communities varies in different parts of India. In those of the simplest form, the land is tilled in common, and the produce divided among the

members. At the same time, spinning and weaving are carried on in each family as subsidiary industries. Side by side with the masses thus occupied with one and the same work, we find the "chief inhabitant", who is judge, police, and tax-gatherer in one; the book-keeper who keeps the accounts of the tillage and registers everything relating thereto; another official, who prosecutes criminals, protects strangers travelling through, and escorts them to the next village; the boundary man who guards the boundaries against neighbouring communities; the water-overseer, who distributes the water from the common tanks for irrigation; the Brahmin, who conducts the religious services; the schoolmaster, who on the sand teaches the children reading and writing; the calendar-Brahmin, or astrologer, who makes known the lucky or unlucky days for seed-time and harvest, and for every other kind of agricultural work; a smith and a carpenter, who make and repair all the agricultural implements; the potter, who makes all the pottery of the village; the barber, the washerman, who washes clothes, the silver-smith, here and there the poet, who in some communities replaces the silversmith, in others the schoolmaster. This dozen of individuals is maintained at the expense of the whole community. If the population increases, a new community is founded, on the pattern of the old one, on unoccupied land. . . . The simplicity of the organization for production in these self-sufficing communities that constantly reproduce themselves in the same form, and when accidentally destroyed, spring up again on the spot and with the same name—this simplicity supplies the key to the secret of the unchangeableness of Asiatic societies, an unchangeableness in such striking contrast with the constant dissolution and refounding of the Asiatic States, and the never-ceasing changes of dynasty. The structure of the economical elements of society remains untouched by the storm-clouds of the political sky.—(Karl Marx: *Capital*, Vol. I, pp. 391-4, Kerr edition).

The state feudalism introduced by the Mohammedan emperors interfered with the free evolution of the native feudal society, and the power of the Moguls was undermined by the growth of native feudal monarchies, which were more virile because of their closer contact with the people. In the early years of the eighteenth century, when the Mogul Empire was disintegrating, a new middle-class was beginning to arise. Although the village still retained its position as the productive unit, urban trading centres had arisen as a result of the exchange and distribution of commodities carried on by a middle-class which was already becoming wealthy. These towns had attracted numerous classes of handicraftsmen, producing for exchange and export, rather than for local use. The new states which sprang up amidst the ruins of the Mogul Empire were largely controlled financially by the trading class, although their political structure remained feudal. But India was destined to undergo a new invasion, from a country which had already reached a more advanced stage of economic development, before these new economic forces had been able to weld her into unity and while she was in a state of transition and disintegration which left her an easy prey to foreign conquest. In the words of Karl Marx, who wrote a series of articles on India in 1853:

How came it that English supremacy was established in India? The paramount power of the great Mogul was broken by the Mogul Viceroys. The power of the Viceroys was broken by the Mahrattas. The power of the Mahrattas was broken by the Afghans, and while all were struggling against all, the Briton rushed in and was enabled to subdue them all. A country not only divided between Mohammedan and Hindu, but between tribe and tribe, between caste and caste; a society whose framework was based on a sort of equilibrium, resulting from a general repulsion and constitutional exclusiveness be-

tween all its members. Such a country and such a society were they not the predestined prey of conquest? ¹

Such was the state of India in 1757 when Clive defeated the French at the battle of Plassey and gained for British exploitation the richest province of India. But it is necessary at this point to go back and tell briefly the story of the rivalry of various European traders for the exploitation of Indian trade.

The ocean route to India was first discovered in 1498 by Vasco da Gama, who sailed round the Cape of Good Hope and reached Calicut, an island close to the West Coast. As a result the Portuguese entered into trading relations with the Indians and during the sixteenth century they established warehouses and trading settlements at Calicut and on the mainland. The Dutch were the first to follow their example, but British traders soon heard of the very profitable trade in finely-woven silk and cotton materials, opium, spices, etc., which was being carried on in India and the East Indies, and hastened south to share in the spoil.

At the end of 1600 the British East India Company was founded by London merchants and received a Royal Charter giving it a monopoly of British trade with India—a monopoly which it retained, apart from short suspensions, until 1813. Trade with India at this time was a matter of buying from Indian handicraftsmen, often by force and always at ridiculously low prices, goods for export to Europe. The low standard of living of the Indian handicraftsman and his ignorance of the relative value of his own goods and the trifles offered him in exchange by the traders rendered him an easy victim for the unscrupulous, and the East India Company for a time made huge profits, its dividends varying from 100 to 250 per cent. per annum.

¹ "The Future Results of British Rule in India," by Karl Marx. *New York Daily Tribune*, August 8th, 1853.

At first the company only bought or rented small strips of land from native rulers for trading settlements, but the desire to safeguard its economic interests and the fear of rival companies led to the building of forts. In 1639 the first large grant of land was obtained, and Madras was founded by the building of Fort St. George. Bombay, obtained from the Portuguese by Charles II, was handed over to the company in 1658.

The company soon set itself to oust all competitors from the field; the Portuguese and the Dutch were fairly easily disposed of, though at the cost of sundry massacres, but the French, whose East India Company appeared on the scene in 1664, became important rivals, and the struggle between England and France to obtain the upper hand in India was at the root of the European wars of the eighteenth century. The break-up of the Mogul Empire and the struggles of various Indian rulers to extend their power gave excellent opportunities to the foreign companies to obtain land, powers, and trading privileges by all kinds of political intrigue, bribery, and chicanery. The French were the more brilliant strategists and entered first on the game of backing one native ruler against another, but the British were not slow to learn and were better supplied by their government with the means for bribery and with military support. A British military expedition was dispatched against the Mogul Emperor in 1686, a military base was established at Calcutta, and a large army was built up in which Indian sepoy, trained and officered by the British, were used to subdue their own countrymen.

The foundations of British territorial expansion in India were laid by Robert Clive, originally one of the Company's clerks, who defeated the French in the South and gained control of the province of Bengal. The battle of Plassey (1757) was won by Clive by buying up the chief who was in command of the major portion of

the Nawab's army, and was celebrated by the exaction of vast sums of money from the traitor, who was placed on the throne of Bengal in return for his services. Clive himself took a sum of over £200,000 in addition to the revenue of lands bringing in about £30,000 a year. The setting up of this puppet ruler gave the East India Company the virtual rule of the province, although it had nominally only landlord's rights over certain large tracts of land.

Clive, the first Governor-General of Bengal, set a fashion in exploitation which subsequent officials of the East India Company were not slow to follow, and the results are best described by Karl Marx in *Capital* (Vol. I):

The English East India Company, as is well known, obtained, besides the political rule in India the exclusive monopoly of the tea trade, as well as of the Chinese trade in general, and of the transport of goods to and from Europe. But the coasting trade of India, and between the islands, as well as the internal trade of India, were the monopoly of the higher employees of the company. The monopolies of salt, opium, betel and other commodities, were inexhaustible mines of wealth. The employees themselves fixed the price and plundered at will the unhappy Hindus. The Governor-General took part in this private traffic. His favourites received contracts under conditions whereby they, cleverer than the alchemists, made gold out of nothing. Great fortunes sprang up like mushrooms in a day; primitive accumulation went on without the advance of a shilling. The trial of Warren Hastings swarms with such cases. Here is an instance. A contract for opium was given to a certain Sullivan at the moment of his departure on an official mission to a part of India far removed from the opium district. Sullivan sold his contract to one Binn for £40,000; Binn sold it the same day for £60,000, and the ultimate purchaser who carried out the contract declared that after all he

realized an enormous gain. According to one of the lists laid before Parliament, the Company and its employees from 1757-1766 got £6,000,000 from the Indians as gifts. Between 1769 and 1770 the English manufactured a famine by buying up all the rice and refusing to sell it again, except at fabulous prices.

Macaulay, in his Essay on Lord Clive, also gives a vivid picture of the East India Company's rule:

"The servants of the company obtained—not for their employers, but for themselves—a monopoly of almost the whole internal trade. They forced the natives to buy dear and sell cheap. . . . They covered with their protection a set of native dependents, who ranged through the provinces, spreading desolation and terror wherever they appeared. Every servant of a British factor was armed with all the power of his master, and his master was armed with all the power of the company. Enormous fortunes were thus rapidly accumulated at Calcutta, while thirty millions of human beings were reduced to the last extremity of wretchedness. They had been accustomed to live under tyranny, but never under tyranny like this.

At the advent of the British the economic power of the ruling class in India depended upon the land revenue which they could collect from the village communities. The basis of this power was the necessity for artificial irrigation, which the village communes could not supply for themselves. There was no absolute owner of the soil, but the produce was divided between the cultivator and the Emperor, or any nominee to whom he had given the right to collect the land-tax from certain village communities.

The share of the produce to which the ruler was entitled varied in different times and in different provinces. In the Hindu period, before the Mohammedan

invasion, it was ordinarily fixed at one-sixth of the harvest and was payable in kind. Under the Moham-medan rulers the land-tax was increased; in the time of the Mogul Emperor Akbar (1556-1605), a detailed survey of the land and calculations of the average produce were made, and the Government's share was fixed at one-third of the value of the average produce, and was collected mainly in cash. Later, when the Mogul Empire was disintegrating, the tax collectors became more and more rapacious, and by the middle of the eighteenth century the peasants were being forced to pay more than half their total products in land-tax.

| The taking over by the British of the administration in any part of India was the beginning of the break-up of the village communities in that area. | Already in Mogul times the power of the headman and his relationship to the village community was being undermined; in many cases he had been degraded from the position of a trusted servant of the village commune to that of a bureaucratic agent of the Emperor, and in others one of his functions had been taken away by the farming out of tax-collecting to an agent of the Mogul called a *Zemindar*.

The disintegration of the Mogul Empire had also led to the neglect of one of the most important functions of the central government, and one that was vital to the welfare of the village communities, namely the provision and maintenance of irrigation systems.

✓ When the British East India Company took over the administration in various parts of India, beginning in 1765 with Bengal, Bihar and Orissa, this break-up of the ancient social system was vastly accelerated. No attempt was made by the company's officials to maintain the public works of the old rulers or to understand the social system on which the land revenue was based. The collective responsibility of the commune for its

share of the land revenue was entirely overlooked, and the British conception of private property in the soil was grafted on to a rural economy to which it was alien. In districts where there were already zemindars or tax-collectors, they were turned into landowners, and encouraged to extract as much land-tax as they could from the peasants. In other areas new zemindars were created from men who happened to be prominent. Subject to payment of the company's taxes, the zemindar (now the registered landholder), was given complete power over the land and its cultivators, and was allowed to sell or mortgage it. As a result of this new policy a system of sub-renting grew up, and each peasant cultivator had to support by his labour a whole hierarchy of parasites.

In 1772 the President and Council of Bengal wrote to the court of directors of the company:

The Nazims¹ exacted what they could from the zemindars and the great farmers of revenue, whom they left at liberty to plunder all below, reserving to themselves the prerogative of plundering them in their turn, when they were supposed to have enriched themselves with the spoils of the country.²

The result of this policy was that, when the worst famine in Indian history struck the province of Bengal in 1770, it was estimated that no fewer than ten million people died of starvation. But the revenues were collected!

On 9th May 1770, the Calcutta Council wrote:

The famine which has ensued, the mortality, the beggary, exceed all description. Above one-third of the

¹ Indian officials to whom the company entrusted the collection of the revenue.

² Letters dated 3rd November, 1772.

inhabitants have perished in the once plentiful province of Purneah, and in other parts the misery is equal.¹

And in 1772 Warren Hastings wrote to the Court of Directors as follows :

Notwithstanding the loss of at least one-third of the inhabitants of the province, and the consequent decrease of the cultivation, the nett collections of the year 1771 exceeded even those of 1768. . . . It was naturally to be expected that the diminution of the revenue should have kept an equal pace with the other consequences of so great a calamity. That it did not was owing to its being violently kept up to its former standard.¹

Apart from its disastrous results in time of famine there was another drawback to the Bengal land policy. 'If the zemindar could not collect as much rent as he had contracted for, the land was taken away from him and the company put it up for sale to the highest bidder—in other words the rent collecting was farmed out to whomsoever would promise to extort the highest amount of land revenue.'¹ This was not satisfactory, even from the company's point of view, for the would-be zemindar often overreached himself and promised to collect impossible sums, with the result that the revenue was insecure and the land was always changing hands.

✧ The confusion in the collection of the land revenue in Bengal, Bihar and Orissa was put an end to by the permanent settlement of assessments in 1793, and by the end of the eighteenth century permanent settlements had also been extended to about one-fourth of the province of Madras and to some districts of the United Provinces, of Agra and Oudh. In other parts of India settlements are made periodically at intervals of from twelve to forty

¹ Extracts from India Office Records, quoted in Hunter's *Annals of Rural Bengal*, 1868.

years. Under the permanent settlements the revenue due from the zemindar cannot be increased, but he may raise the rent of his tenants every twelve years.

The Settlements Acts contained provisions, which were stringently carried out, by which the zemindar's land could be sold up unless he paid the full amount of the assessment at the appointed time. This policy resulted in the alienation of much land and its passing from the hands of local chiefs to those of adventurers from the South whose only interest in the locality was to get as much rent as possible out of it. Thus, though it was ultimately successful in obtaining the required annual amount for the government exchequer, it had the effect of still further depressing the already wretched condition of the peasantry, and driving them into the clutches of the village moneylender, who was becoming an important factor in Indian society at this time.

The company's revenue-collecting did not take the same form in all parts of British India. In Bombay, Burma, Coorg and the major parts of Madras and Assam the *zemindari* system was not introduced. As usual, the village community was ignored by the company, but here the rent contract was made individually with the peasant who held his land as a tenant or *ryot* direct from the governor. This is called the *ryotwari* system and under it the only landlords (apart from the Government) are the usurers who have turned debtors into tenants.

The land revenue collected by the Mogul's agents in Bengal in 1764-1765 amounted in value to £818,000: in 1765-66, the first year of the East India Company's financial administration, it rose to £1,470,000. By the year 1790-91 it had been forced up to £2,680,000 and it was on the basis of this year's collections that the permanent settlements were made. The total amounts collected by the company in land revenue increased from £4.9 million in 1812-13 to £13.6 million in

1822-23 and had reached £15.7 million in 1857-58, the year of the "Mutiny". The increase was due chiefly to the acquisition of new territories, but also partly to the extension of cultivation and the increase in assessments. Of the other sources of revenue acquired by the East India Company the most important were salt and customs duties. At the time of the mutiny, land revenue was yielding nearly two-thirds of the total revenue, while salt and opium contributed over a fourth. Thus there began in 1765 a steadily increasing economic drain of Indian resources for the benefit of the company's shareholders. A statement¹ of the revenue and expenses of Bengal during the first six years of the company's administration shows that the gross revenue, which was approximately £2,260,000 in 1765-66 rose to £3,800,000 in the following year, and, after the payment of tribute to the Mogul, collection charges, and all the company's civil and military expenses, left a balance of £1,250,000 to be remitted to England. The total figures for the six years (May 1765-1771) are as follows:

| Gross revenue | Net revenue | Total expenses | Net balance |
|---------------|-------------|----------------|-------------|
| 20,133,579 | 13,066,761 | 9,027,609 | 4,037,152 |

But this annual drain of nearly one-third of the net revenue did not represent the total drain on the economic resources of Bengal. The vast fortunes made by the English officials, who had excluded Indian merchants from their legitimate trades, went out of the country, as did also the savings of the numerous civil and military employees of the company. (Some idea of the extent of the drain from Bengal can be gathered by comparing the figure of imports into and exports from Bengal for the years, 1766, 1767, and 1768, compiled by H. Verelst, Governor of Bengal (1767-70))

¹ Fourth Report of the House of Commons, 1773.

Total imports, £624,375. Total exports, £5,311,250.¹

[The method adopted of sending the balance of the revenue to Great Britain was one which insured that the company should get the greatest possible profit out of the transaction; the money was spent on the purchase of Indian goods for export and sale without any commercial return to India.] The annual average sum put into the "company's investment", as it was called, for the years 1795 to 1811 was £1,322,877.²

The wealth which the company derived from its exploitation of Bengal, Bihar and Orissa tempted it to expand its territories in India by all possible means. The final defeat of the French at Pondicherry in 1761 having cleared the way, the company embarked on a policy of annexation which continued right up to the revolt of 1857. During this period Mysore, the Carnatic, Tanjore, Rajputana, Lower Burma, the Punjab, Sind and Oudh were annexed or placed under British "protection". Even with the help of bribery and treachery these results could not be achieved peaceably and this period was full of bloodshed. There were three Mahratta Wars, two Mysore Wars, wars with the Sikhs, the Gurkhas, the Pindaris, and the Afghans. The annexationist policy of successive governors-general culminated in the much-resented policy of Lord Dalhousie (Governor-General 1848-56) who abrogated the ancient Indian right of adoption of heirs and annexed the estates of any native ruler who had no direct heir. By these means British territory in India was increased from 480,000 square miles in 1814 to 987,000 square miles in 1856, and many friendly native chiefs were turned into bitter enemies of the British.

¹ *View of the Rise, etc., of the English Government in Bengal*, by Harry Verelst, 1772.

² *Minutes of Evidence, etc., in the affairs of the East Indian Company*, 1813.

// During this period the position of the East India Company underwent considerable changes and Britain's economic policy in India was radically transformed. The profits made by the company were regarded with envy by other British traders, and it was pointed out that the military expenditure involved in the crushing of the French rivalry in India had been heavy. The British manufacturing class, which was now steadily increasing its power, successfully demanded much greater parliamentary control over Indian affairs. Acts passed in 1768-84 forced the company to pay a large annual sum into the British exchequer, placed its dividends under parliamentary control, forced it to export a specified amount of British goods to India, and finally placed its territories under the supervision of a Board of Control appointed by the Crown.

The wealth which had been accumulated in England during the past two centuries had become the basis for the development of large-scale capitalist manufacturing enterprises, and the power which the capitalists had gained in Parliament was bound to have its repercussions in India. As R. P. Dutt explains in his book *Modern India*, this new development transformed the character of the British relation to India :

| The expansion of English machine manufacture overwhelmed and destroyed the more primitive Indian manufacture, and India became the great market, and a great source of raw materials, for British capitalism at the expense of Indian economic development. This change necessitated a change in the form of Government. The interest in the exploitation of India was now extended to the whole of British capitalism; and only the executive organ of British capitalism as a whole could take charge. †

As early as 1709 parliamentary intervention had been invoked on the ground that the importation of cotton

and silk materials was ruining the British manufacturer, and laws were passed prohibiting the wearing or milling of Indian silks or calicoes.¹ During the greater part of the eighteenth century Indian manufactures were excluded from the British market, and were imported into England only in order to be re-exported to the Continent. At the same time efforts were made to exploit India as a source of raw materials and a market for British textile manufactures, and by the nineteenth century India was being flooded with British cotton manufactures./

The effect of this change in trade on India's social structure is discussed by Marx in the following passage :

However changing the political aspect of India's past must appear, its social condition has remained unaltered since its remotest antiquity, until the first decennium of the nineteenth century. The hand-loom and the spinning wheel, producing their regular myriads of spinners and weavers, were the pivots of the structure of that society. From immemorial times, Europe received the admirable textures of Indian labour, sending in return for them her precious metals . . .

It was the British intruder who broke up the Indian hand-loom and destroyed the spinning-wheel. England began with driving the Indian cottons from the European market; it then introduced twist into Hindustan, and in the end inundated the very mother country of cotton with cottons. From 1818 to 1836 the export of twist from Great Britain to India rose in proportion of 1 to 5,200. In 1824 the export of British muslins to India hardly amounted to a million yards, while in 1837 it surpassed 64 million yards. But at the same time the population of Dacca decreased from 150,000 inhabitants

¹ " By the Act 11 & 12 William III, cap. 10, it was enacted that the wearing of wrought silks and of printed or dyed calicoes from India, Persia and China should be prohibited, and a penalty of £200 imposed on all persons having or selling the same."—"The East India Company, its History and Results", by Karl Marx, *New York Daily Tribune*, July 11, 1853.

to 20,000. This decline of Indian towns celebrated for their fabrics was by no means the worst consequence. British steam and science uprooted, over the whole surface of Hindustan, the union between agricultural and manufacturing industry.¹

Marx also points out that after 1813, when the East India Company's monopoly was rescinded and trade with India was thrown open, this trade more than trebled in a short time. He gives figures showing that British exports in India, which in 1780 made up only one-thirty-second part of the British export trade, increased by 1850 to more than one-eighth of the whole export trade and more than one-quarter of the cotton exports. /

Important evidence was given before the Select Committee of the House of Commons which was appointed in 1840 to report on a petition by the East India Company (which, since 1823, had been excluded by the terms of its charter from Indian trade) for the removal of duties which discouraged Indian industries. At this time British cotton goods exported to India paid a duty of $3\frac{1}{2}$ per cent., while Indian cotton goods imported into England paid one of 10 per cent. The increase in the former and the decline in the latter were shown by the following figures supplied by Mr. Larpent, chairman of the East India and China Association.

| Year. | British Cotton Manu- factures exported to India. | | Indian Cotton Piece Goods imported into Great Britain. | |
|------------|--|-------|--|--|
| | Yards | | Yards | |
| 1814 | 818,208 | ..... | 1,266,608 | |
| 1821 | 19,138,726 | ..... | 534,495 | |
| 1828 | 42,822,077 | ..... | 422,504 | |
| 1835 | 51,777,277 | ..... | 306,068 | |

¹ "The British Rule in India," by Karl Marx, *New York Daily Tribune*, June 25th, 1853.

A similar decline took place in the export of Indian piece-goods to other countries; for instance, the export to America declined from 13,633 bales in 1801 to 258 bales in 1829, and Denmark, which took 1,457 bales in 1800, never took more than 150 bales after 1820.

The continued and rapid rise in the British cotton exports to India in the period under survey is shown in the following tables:

Value of British cotton exports¹
to India (in £ million).

| | | |
|------|-------|-------|
| 1813 | ..... | 0.11 |
| 1831 | ..... | 1.65* |
| 1835 | ..... | 1.79 |
| 1840 | ..... | 3.86 |
| 1845 | ..... | 4.21 |
| 1850 | ..... | 5.22 |
| 1855 | ..... | 5.84 |

* Exports to China are included in this figure.

Although India's industrial exports steadily declined, she was obliged to export more than she imported in order to pay the annual tribute exacted by Great Britain. The following table of her total imports and exports shows the increasing difference in their values:

Imports and Exports to India from all
Countries¹
(in £ million).

| Year. | Imports. | Exports. |
|---------|----------|----------|
| 1834-35 | 6.15 | 8.18 |
| 1839-40 | 7.78 | 11.33 |
| 1844-45 | 14.51 | 17.70 |
| 1849-50 | 13.70 | 18.28 |
| 1854-55 | 14.77 | 20.19 |

¹ These figures are taken from Parliamentary Papers, 1814-1856.

This excess of exports of from two to five millions represented the annual drain of wealth from India to Great Britain and was made up by an increasing export of raw cotton, wool, food grains, opium, indigo and jute.✓

✓The transformation of India from a textile-producing country into a market for British manufactures and a source of raw materials had far-reaching effects, leading to further capitalist expansion in India itself. In the words of Marx:✓

At the same rate at which the cotton manufactures became of vital interest for the whole social frame of Great Britain, East India became of vital interest for the British cotton manufacture. Till then the interests of the moneyocracy which had converted India into its landed estates, of the oligarchy who had conquered it by their armies, and of the millocracy who had inundated it with their fabrics, had gone hand in hand. But the more the industrial interest became dependent on the Indian market, the more it felt the necessity of creating fresh productive powers in India, after having ruined her native industry. You cannot continue to inundate a country with your manufactures, unless you enable it to give you some produce in return.¹

✓Many factors were at this time contributing to a decline in Indian purchasing power; the ruin of the handicraftsmen, the ousting of Indian merchants from the internal trade over increasingly large areas, the despoiling of the Indian zemindars, and the appropriation by Great Britain of an ever larger proportion of the country's revenues—all these things led to a steady increase in the already stupendous drain on the country's resources.✓

✓It became clear to British manufacturers that the Indian market would dry up unless steps were taken to develop India's resources.✓ The cotton manufacturers

¹ "The East India Company, its History and Results", by Karl Marx. *New York Daily Tribune*, July 11th, 1853.

wanted to develop India as a source of raw cotton, and a market for their manufactures, with the aid of British capital for the necessary railways and irrigation works. British iron and steel manufacturers and engineering firms who were becoming powerful by the middle of the nineteenth century were naturally interested in the development of India by the construction of roads and railways. But the industrial interest now found themselves up against the "moneyocracy" and the "oligarchy":

They found that in all attempts to apply capital to India they met with impediments and chicanery on the part of the Indian authorities. Thus India became the battlefield in the contest of the industrial interest on the one side, and of the moneyocracy and the oligarchy on the other. The manufacturers, conscious of their ascendancy in England, ask now for the annihilation of these antagonistic powers in India, for the destruction of the whole ancient fabric of Indian government, and for the final eclipse of the East India Company.¹

The success of the industrial interests in this contest was a foregone conclusion. Already in 1849 the East India and the Great Indian Peninsular Railway Companies were floated in London, having obtained concessions from the Government to build lines from Calcutta and Bombay. In 1854 a concession was granted to the Madras Railway Company; in the following year to the Bombay, Baroda and Central Indian Company. But now came an event which interrupted the course of Indian railway development for a short time, but which furthered the aims of the industrial interests by hastening the final eclipse of the East Indian Company—the so-called Indian "Mutiny" of 1857.^a

✓ India was now on the eve of the third period of its

¹ "The East India Company, its History and Results", by Karl Marx. *New York Daily Tribune*, July 11th, 1853.

exploitation by Great Britain—the period of the development by British capital of India's own resources.} But it could not pass into this new stage without bloodshed. The results of the disintegration of its entire social structure during the second period had to be faced, the deep discontent engendered by its enslavement to the interests of British manufacturers and financiers inevitably came to a head. The war of 1857, which is commonly known as the Indian Mutiny, was by no means a mere mutiny of sepoys, it was the direct outcome of the annexationist policy of the British colonizers, of the oppressive land revenue system carried out by the company's officials and of the ruin of the Indian handicraft industries.

The Indian "Mutiny" began with a revolt of native troops at Meerut, which spread throughout the Bengal army, but the threat to British power lay in the fact that the revolt took place in a country which was already seething with discontent. The news spread throughout the land, and acted as a spark in many widely separated districts. The conflagration that resulted was a great one, and for a time British rule in India seemed to hang in the balance.

The rajahs and ranis whose land had been annexed, all the native chiefs who had been deprived of revenue by the British, were anxious only to get back their revenues and their baronial rights and privileges; the peasants, ground down by ever-increasing taxation and the harsh exactions of strangers, laid their miseries at the door of the foreign oppressor; the handicraftsmen demanded protection from the competition of foreign-made goods; the workers on the sugar and indigo plantations were smarting under the direct exploitation of foreign capitalists. For a time in certain parts of India all these elements joined together and the British were faced with a powerful combination. But the main basis

of the rising was a reactionary one: it was the last effort of the dethroned feudal potentates to regain the power which had been taken from them by foreign commercial capitalism.

The greatest danger to the British power lay in the districts between Calcutta and Meerut, covering Agra, Oudh, and the North West Provinces. All the native troops in these districts were in insurrection; the petty bourgeoisie and proletariat of the towns took part in the struggle and there was severe fighting in the streets of Cawnpore, Lucknow, and Delhi; the native chiefs, who were still smarting from recent expropriation, put themselves at the head of the rising and the peasants flocked to their banners. In Bengal, Bihar, and Orissa there were widespread revolts of the peasants and plantation workers against exploitation, but they had no adequate leaders and the struggle degenerated into ineffective guerrilla warfare.

In the South, where the *ryotwari* system was prevalent, the peasants did not join with the native chiefs against the British, and mostly remained passive spectators of the struggle. The native troops of Bombay and Madras, which were mainly recruited from the peasants ryots, remained "loyal", in contrast to the native armies of Northern India, with the exception of the Punjab.

The situation in the Punjab was exceptional. Here the militancy of the peasants and their nearness to the frontier had forced the British to compromise, with the result that the power of the zemindars had been broken and the ancient rights of the village communes had been restored. For the same reasons the land taxes had not been raised excessively and the peasants in the Punjab only paid 10 to 15 per cent. of his produce in rent instead of half or even three-quarters as in other districts. The result of this was that the Punjab supported the British, and the armies which broke the back of the movement

by taking Delhi were partly recruited from the peasants of the Punjab.

The lack of unity in the forces against the British was a factor of which they took full advantage. The native chiefs soon realized that if they joined too closely with the peasants and artisans, the control of the movement would gradually slip out of their hands. On the other hand, the situation was sufficiently serious to induce the British to bribe them with the promise of lands and support against the peasants. Thus the leadership of the movement was broken and the British were able to save their own troops by using native troops against the peasants and townsmen. The "Mutiny" resulted in an alliance between Indian landholders and British capitalism which has lasted right up to the present time. The policy of wholesale annexation was discontinued, all the big native chiefs who had been recently dispossessed got their land back, while smaller owners were squeezed out. The peasants were still further subordinated to the landlords, as the British supported the latter in their demands for compulsory labour and their enforcement of the caste system. The British also tried to break up the unity of the peasants, (1) by granting certain privileges to the larger peasant farmers; and (2) by enacting laws under which peasant lands could be bought and sold. This meant that a large number of peasants were bought out by the merchants, thus adding to the class of parasite rent-collectors on the one hand, and creating a class of landless peasants on the other.

The vicious cruelty and mad lust for revenge shown by British officers after the "Mutiny" had been crushed was such as to make the British name stink in the nostrils of the Indians to this day. *The History of the Indian Mutiny*, by Kaye and Malleon (1888), gives terrible details not only of the shooting or blowing from guns of Indian soldiers, but of the destruction of villages and the

hanging and torture of men, women and children. Here are a few stories from contemporary records:

It is on the records of our British Parliament, in papers sent home by the Governor General of India in Council, that the aged, women and children, are sacrificed as well as those guilty of rebellion. They were not deliberately hanged, but burnt to death in their villages—perhaps now and then accidentally shot. Englishmen did not hesitate to boast, or to record their boastings in writings, that they had “spared no one,” and that “peppering away at niggers” was a very pleasant pastime “enjoyed amazingly. . . .”

A few days afterwards the military courts or commissioners were sitting daily and sentencing old and young to be hanged with indiscriminate ferocity. On one occasion some young boys who, seemingly in mere sport, had flaunted rebel colours and gone about beating tomtoms, were tried and sentenced to death. . . . Volunteer hanging parties went out into the districts, and amateur executioners were not wanting to the occasion. One gentleman boasted of the numbers he had finished off quite “in an artistic manner,” with mango trees for gibbets and elephants for drops, the victims of this wild justice being strung up, as though for pastime, in “the form of a figure eight”.¹

The same authority gives six thousand as a contemporary estimate of the number of Indians summarily hanged in three months. English history, as taught to our school children, never omits the lurid story of the Black Hole of Calcutta, but the Black Hole in which forty-five out of sixty-six Mutiny prisoners were slowly stifled by the carelessness of Cooper is never mentioned, nor is it remembered that the twenty-one prisoners who survived this night of horror were shot, together with the 216 of their comrades. “For this splendid assump-

¹ *History of the Mutiny*, Vol. II, Kaye & Malleeson.

tion of authority, Cooper was assailed by the hysterical cries of ignorant humanitarians." ¹

The events of 1857-8 called attention to the difficulties involved in holding a vast country in subjection with primitive means of transport and inadequate communications. It brought home to the Government the precariousness of the company's hold on India, and the necessity for the Central Government to take full responsibility. It also brought forward a powerful argument in favour of the investment of capital in India, for it was obviously cheaper and more effective to make the Indians pay for a system of railways, roads, and telegraphs, than to maintain large garrisons all over India.

Thus the Indian "Mutiny" had widespread and lasting effects. British power in India was established on the basis of an alliance with the most reactionary section of Indians, the landowners, who secured a suspension of the policy of direct annexation by the British in return for their support of British interests against the peasants and artisans.

The East India Company continued to exist only to receive out of the revenues of India the dividend on its stock; the authority of the Board of Control was replaced by that of the British Parliament, exercised through the Secretary of State for India, to whom the Viceroy of India and the Indian Civil Service were rendered responsible.

The growing need of British capitalism, with its rapidly expanding heavy industries, to develop investment in India had brought with it the necessity of establishing direct control of the country's resources; but the whole process was hastened by the events of the Mutiny itself, as a result of which the forces of resistance to the old methods of exploitation were either crushed or bought off, and at the same time the way was opened for the new imperialist combination.

¹ *History of the Indian Mutiny*, Holmes.

CHAPTER II

**THE DEVELOPMENT OF CAPITALISM IN
INDIA**

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IN the previous chapter we have traced the exploitation of India through the despoiling of the Indian handicraftsmen, the annexation of large areas of land, and the flooding of India with British goods, to the destruction of Indian industry. The beginnings of the new period of capitalist investment in India, which showed themselves in the last decade before the Mutiny, have already been noted, and we have now to consider the rapid development of this tendency and what were the interests behind it.

\ The investment of British capital in Indian railways, roads, irrigation, posts and telegraphs was dictated by a number of different British capitalist interests, sometimes conflicting, and had very widespread effects, not all of which were beneficial to British interests. In the first place, the British cotton manufacturers, who looked upon India as a source of raw materials and a market for cotton goods, wished for improved transport in order to open up the interior for their expanding trade and for the more rapid transportation of raw cotton to the ports. Secondly, the iron and steel industry, which at this time was growing rapidly in Britain, needed a wider market for its expansion. (Not only were the iron and steel manufacturers ready and anxious to provide India with materials for the laying down of railways, but the exploitation of India during the trading period had resulted in the accumulation of a vast quantity of capital, which was awaiting a safe and permanent

investment, such as was provided by railway construction under Government guarantee. British capital was entering the phase of imperialist expansion and found India its most convenient and profitable field for investment. It was also found absolutely necessary for strategic reasons, particularly after the experience gained during the War of 1857, to improve transport and provide rapid means of communication.

But the introduction of railways into India had results unforeseen by British capitalists. Marx's prediction, made as early as 1853, when railway development had barely commenced, was soon justified by events:

I know that the English millocracy intend to endow India with railways with the exclusive view of extracting at diminished expenses the cotton and other raw materials for their manufactures. But when you have once introduced machinery into the locomotion of a country, which possesses iron and coals, you are unable to withhold it from its fabrication. You cannot maintain a net of railways over an immense country without introducing all those industrial processes necessary to meet the immediate and current wants of railway locomotion, and out of which there must grow the application of machinery to those branches of industry not immediately connected with railways. The railway system will therefore become in India truly the forerunner of modern industry."¹

The building of railways, the spread of education among the Indian middle classes, the growing burden of the tribute exacted by Great Britain coupled with the increasing pressure on agriculture, the presence of raw materials such as cotton, jute, iron and coal, which could be profitably worked up in India itself—all these things made the coming of industrialism in India inevitable,

¹ "The Future Results of British Rule in India", by Karl Marx, *New York Daily Tribune*, August 8th, 1853.

however much it might be delayed and obstructed by imperialist policy. |

The policy of Britain towards India has throughout been dictated by the interests of British traders, manufacturers and financiers, and it was at the behest of the last two groups that Indian industrialization was seriously hampered by British economic policy right up to the War years, when, owing to industry in Great Britain being turned to production of war materials, a limited development in Indian industry was allowed. This was merely a temporary modification of the policy of British imperialism and was reversed about 1922. | In the last half of the nineteenth century the aim of British policy (dictated by the cotton and the iron and steel magnates) was to preserve India as a monopoly market for British products, and certainly not to allow her to compete in production with British capitalists. Certain Indian industries began to develop in spite of the policy of the British Government. The textile industries (cotton and jute), with their local supplies of raw material, were the first to raise their heads in the early 'fifties. In the 'eighties and 'nineties the coal and iron industries were built up. A few workshops and engineering factories were established before 1900, as were also gold-mining and the sugar-refining trades. The mining and engineering industries and the plantations were financed and built up by British capital, but in the cotton industry and, a little later, the iron and steel industry, we find mixed British and Indian capital. |

| Although it was not to the advantage of the British manufacturing class as a whole to allow competing industries to grow up in India, nevertheless there were certain sections of industrialists whose interests were best furthered, at the moment, by building up industries in India. | For instance, the jute industry, competing as it does with Dundee, was built up by Scottish jute manu-

facturers with British capital, and although more than half the capital invested in it is now held by Indians, it is still entirely under British control. The reason for this is easily seen; trade union organization and the growing solidarity of the British workers in the nineteenth century were forcing the jute manufacturers to yield to the demand for better wages and more humane conditions; they found that by transferring their capital to India and building jute mills there they could increase the rate of exploitation by getting destitute Indian peasants to work for them for almost nothing, and when after a few years one set of workers died of starvation and overwork they could always be replaced by others.

But, however much it might be desired by individual jute millowners or colliery companies, Indian industrialization was not to the interest of the British ruling class as a whole, and therefore drastic measures were taken to check its growth. In 1860 an income-tax was imposed on the Indian bourgeoisie. The Manchester agitation for the total abolition of the Indian import duties on manufactured goods was countered by those Indian administrators who saw the great need for revenue after the heavy expenditure on the war of 1857, but Manchester won. Sir Bartle Frere, speaking before the Select Committee of the House of Commons in 1871 concerning the keeping down of the import duty on cotton piece goods in order to foster the sale of British goods, said:

There is this difficulty, that the interests of India and of England on that point seem rather at variance. No doubt some considerable increase of revenue might be realized by increasing the import duties, say, upon piece goods and yarns, but the direct result of that would be to diminish consumption and to stimulate production on the spot."¹

¹ Select Committee's Report, 1871.

[As usual the interests of India were sacrificed to those of British capitalists. In 1875 the import duties were reduced to 5 per cent. and in 1879, after a long controversy during which the arguments on the Indian side had been reinforced by the terrible famine of 1877, the duty on imported cotton goods was repealed. Finally in 1882 all customs duties were abolished.] In 1894 import duties were reimposed, to meet exigencies of revenue, but yarns and cotton fabrics were excluded. Continued financial stringency brought piece goods within the scope of the tariff and the demands of Lancashire were satisfied by a general duty of $3\frac{1}{2}$ per cent. on all woven goods—an import duty on goods by sea, an excise duty on goods produced by the Indian mills. [The 5 per cent. import duty on machinery was also a hindrance to the development of machine industry. The change in 1898 in the exchange value of the rupee from its face value in silver of 1s. 2d. to a fictitious gold standard of 1s. 4d. was a further blow to Indian industry.]

At the same time that the growth of the infant cotton industry was being regarded with such a jealous eye by the Lancashire manufacturers, they were engaged in completing the ruin of the Indian handicraftsmen and making it inevitable that they would be driven into factories. [The import of cotton goods into India, which stood in 1858 at a figure under five million sterling, went up to eight millions in 1859, and to double that figure in the next ten years. A similar increase took place in the imports of silk and woollen goods. This does not represent a great increase in the demand of the Indians for clothing, but simply a decrease in Indian handicraft manufacture, with its resultant ruin of the Indian weaver.]

[The British imperialist policy of openly obstructing and penalizing Indian industrial development was continued right up to 1914, but with the outbreak of War a

new situation arose in which a certain modification of this policy became necessary. Lancashire was no longer able to flood the Indian market with cotton goods, and both Japan and the United States endeavoured to make use of the war period for the consolidation of their position on the Indian market. ¶ It was, of course, more in accordance with British interests that the market should be supplied by Indian firms, in which British capital could be invested, than by their foreign rivals and for this reason the restriction on the Indian textile industries had to be removed. It also became expedient to encourage Indian heavy industry, for British iron and steel works were already fully occupied in the production of war requirements, and steel rails were urgently required for outlying parts of the Empire. Apart from these cogent economic reasons there were a number of political reasons for a change of attitude on the part of Great Britain. ¶ Her position in India was by no means secure. The unrest which was seething among the peasants owing to the land policy broke out into open disturbances as soon as the British troops were withdrawn, and there were mutinies in the Indian army as well as a big peasant insurrection in the Punjab. At the same time the Indian bourgeoisie, who had been becoming more and more restive under the cramping effects of the British policy, found this a golden opportunity to show their hostility. The development of the nationalist movement and the unification, for the first time, of the Moslem League with the Indian National Congress combined with the factors mentioned above to make the situation dangerous, and it became clear that unless Britain was prepared to lose India as a colony concessions would have to be made. ¶ Consequently in 1916 a protective duty of $3\frac{1}{2}$ per cent. (later raised to 15 per cent.) was placed on cotton imports, and in the same year the Indian Industrial Commission was

appointed to examine the possibilities and technical conditions of industrial development. Its Report, which appeared in 1918, recommended: (1) Government assistance for industrial development; (2) modernization of agricultural methods; (3) universal primary education.

The political counterpart of the Industrial Commission was the Montague-Chelmsford Report, the main object of which was to win the co-operation of the rising Indian bourgeoisie by a political concession together with a good deal of vague talk about "a forward policy in industrial development". In 1921 a Fiscal Commission was set up which reported in 1922 in favour of:

1. Protection exercised with discrimination through a Tariff Board.
2. Abolition of export duties, except for purely revenue purposes.
3. Imperial preference—where no economic loss to India would be involved.
4. Free inflow of foreign capital.
5. Rapid industrial advance.

As a result of the removal of the competition of foreign capital and of the war-time boom in industrial requirements, Indian industries, particularly textiles and iron and steel, grew at a remarkable rate. The total profits of the Bombay textile mills were quadrupled between 1913 and 1920, and the cotton imports dropped during the War to about one-third of the pre-War level. A high rate of profit was made in the iron and steel industry, and the Indian-owned Tata Iron and Steel Company, as well as the Bengal Iron and Steel Co. and other British companies, flourished exceedingly.

By the second decade of the twentieth century Indian industries had developed considerably and native capital had gained ground in various spheres where before the War British capital had almost a monopoly, e.g. the jute

industry and tea plantations.) Nevertheless Indian industry was still of a primitive character, as is shown by the following returns of the 1921 census, which show the total number engaged in industry, including home workers and handicraftsmen as well as factory workers:¶

| Number of Workers in Thousands | | | | | |
|--------------------------------|------------|----------|----------|----------|------------|
| Total Industry | Metallurgy | Building | Textiles | Ceramics | Outfitting |
| 15,700 | 730 | 810 | 4,030 | 1,080 | 3,400 |

¶ From these figures it is clear that those industries which are most characteristic of modern capitalist industry, i.e. the metal and building industries, were still insignificant, comprising only 10 per cent. of the total, while roughly half the workers were occupied in clothing the population and over a million were engaged mainly in making household utensils.¶ Lord Chelmsford's successful claim before the League of Nations Council in 1922 that India should rank as one of the eight leading industrial countries of the world, on the basis of the possession of an industrial wage-earning population of roughly 20 millions, was a piece of special pleading designed to gain for Britain another place in the League. Nevertheless ¶ it soon became clear that Indian industry was competing with British industry to the detriment of British trade.¶ While before the War 70 per cent. of India's supply of textiles came from England and 28 per cent. from Indian mills only 35 per cent. of the post-War supply was British and 61 per cent. Indian.¶ At the same time Britain's share in Indian imports had decreased from 64 per cent. in 1913-14 to 47.8 per cent in 1926-27. It was not to be expected that Great Britain, once war-time exigencies were past, would remain passive while Indian industry continued to develop at the expense of British trade, and from 1925 onwards counter-measures were developed.¶ Preferential

¶ *Manchester Guardian*, April 12th, 1923.

tariffs were introduced for British goods, the rate of the rupee was artificially raised by the British currency policy to 1s. 6d. (instead of 1s. 4d.) which meant a premium of 12½ per cent. for imports. Meanwhile the "big five" banks in England carried on an aggressive economic policy against Indian industrialization, and helped to bring about the bankruptcy of a number of Indian enterprises.¹

A further development of this policy in the period 1921-24, was directed towards the deliberate penetration and control of the Indian enterprises by British capitalists. This was achieved in several ways. First, by the formation in 1921 of the Imperial Bank of India, financed by British capital and exercising control over all Indian banks and, through them, indirectly over all Indian firms and enterprises. Secondly, by the transference of British companies to the Indian register and their establishment of an Indian domicile, and by the direct investment of British capital in companies already registered in India. And thirdly, by the absorption by British firms of Indian-owned enterprises.

This process of the penetration of British capital into Indian-owned enterprises was very much facilitated by the onset of the world depression, which was beginning to make itself felt by about 1926. Between 1926 and 1928 many Indian industrial enterprises failed. The Peninsula Locomotive Company and the South Indian Locomotive Workshop, each of which had been employing 5,000 workers, were liquidated, together with many smaller Indian concerns, because they were unable to face British competition, protected by tariffs and having behind it the enormous credit resources of the British banks. Other concerns, as, for instance, many in the lead, tile, cement, leather, and paper manufacturing industries, were obliged to accept British capital with its consequent control. The depression showed itself in a

heavy drop in Indian exports from 1924 to 1927 and a fairly steady decline in imports. The following table¹ shows the rapid progress of Indian trade during the first quarter of the present century, and its decline thereafter.

**VALUE OF THE TOTAL TRADE OF INDIA
WITH ALL COUNTRIES**

| | Imports (£ million) | Exports (£ million) | Excess of Exports (£ million) |
|---------------|------------------------|------------------------|----------------------------------|
| 1903-04 | 91.6 | 115.4 | 23.8 |
| 1913-14 | 164.5 | 177.0 | 12.5 |
| 1920-21 | 400.5 | 309.8 | 90.7* |
| 1921-22 | 331.0 | 280.9 | 50.1* |
| 1922-23 | 328.0 | 334.3 | 6.3 |
| 1923-24 | 310.3 | 383.3 | 73.0 |
| 1924-25 | 375.7 | 424.1 | 48.4 |
| 1925-26 | 291.4† | 390.7† | 99.3 |
| 1926-27 | 211.8† | 234.9† | 23.1 |
| 1927-28 | 222.3† | 250.0† | 27.1 |
| 1928-29 | 225.5† | 259.1† | 33.6 |
| 1929-30 | 208.1† | 243.0† | 34.9 |
| 1930-31 | 150.0† | 172.5† | 22.5 |

* Excess of imports.

† Sea-borne trade only—figures discontinued for land-frontier trade from 1925, at which date it represented only one-nineteenth of the total.

The world economic depression, which intensified very rapidly from 1929 onwards, affected most severely those countries, of which India is one, whose economic activities are mainly concerned with the production of agricultural products and raw materials. The fall in wholesale prices has been far more pronounced in the case of agricultural products than in that of manufactured products, with the result that the prices of India's exports fell far more than those of her imports. The peasant cultivators, who represent the mass of the

¹ Statistical Abstracts for British India, 1915, 1926, and 1933.

Indian population, were naturally the class of the population who were the hardest hit by this fall, but the consequent contraction not only of Indian but of world purchasing power necessarily affected the production and profits of Indian and Anglo-Indian industrialists. But the effects of the crisis on the Indian bourgeoisie have been considerably minimized by the habit of the Indian exploiting classes of hoarding wealth, particularly in the form of gold.¹ Owing to the fall in commodity prices Indian exports fell by 29 per cent. and imports by 23 per cent. in 1932. But the steep decline in exports of merchandise was offset by unprecedented shipments of gold, of which the net export in 1931-32 was Rs. crores 57.97.¹ This had a very favourable effect upon India's trade and finance, and vastly improved her credit. This heavy export of gold, which was due to the fact that sterling prices did not rise proportionately with gold and that it was therefore profitable to export gold and receive payment in sterling or rupees, was very profitable to Indian princes, landholders and capitalists, but could do nothing to lift the Indian cultivator out of the terrible position into which he was plunged by the collapse of world prices.

¶With regard to the peasants, therefore, the situation was very different. The fall in agricultural prices and the depreciation of the rupee was accompanied by a heavy increase of taxation, with the result that the peasants (whose savings had always taken the form of gold and silver bracelets, ornaments, etc.) were obliged to throw their gold and silver on to the market in order to obtain money to pay their taxes.

The resale of this gold (all of which it must be remembered has been wrung from the peasant cultivators either directly or indirectly, some of it recently, the rest

¹ *The Economist* (Banking Supplement), Oct. 8th, 1932. See also Note on Currency, p. 7 *ante*.

throughout long years of exploitation) brings a high rate of profit to Indian speculators and usurers and is also of great advantage to British imperialism, which needs gold to meet its obligations to America.]

When the British Government suspended the gold standard, steps were taken to link the rupee with sterling, which had the immediate effect of stimulating Indian exports and, in conjunction with the heavy new tariffs imposed in the Emergency Budget, of restricting imports, thus materially increasing the economic drain on Indian material resources but—owing to the low prices—without restoring the favourable trade balance.

In the decade ending March 31, 1930, the average value of Indian merchandise exports was about £243½ million, and of merchandise imports about £181½ million, leaving a favourable balance of about £62 million. In 1931–32 exports dropped to £120 million and imports to £92 million, reducing the favourable balance to £28 million, while in the six months ending September 1932 there was an adverse balance of about £6 million.¹ It is only the exports of gold which are enabling India to keep up her import trade, even on its present low level, and to balance her budget. Economies, including 10 per cent. cuts in civil and military pay, and increased taxation, have been resorted to by the Finance Minister, but even so the aggregate deficit for the past two years stands at Rs. 9½ crores.²

British imperialism in India is on the horns of a dilemma. It is clear that the only road to prosperity for India is through industrialization; but the further industrial development progresses in India the more it conflicts with British interests. At the same time, however, Britain is more than ever in need of the Indian market, and the impoverishment of the Indians closes

¹ *The Economist*, December 31st, 1932.

² *Ibid.*, March 4th, 1933.

this market. Britain's own economic position demands an increased exploitation of India. But this in turn inevitably drives the peasants and workers to revolt, while any hampering of Indian industry antagonizes the bourgeoisie, and tends to weld together the forces in India which are inimical to British rule. Hence the vacillations in British policy towards India during the last ten years, and the rather clumsy efforts of British politicians to prevent Indian industry from competing with British, and at the same time to placate the Indian bourgeoisie. But it is important to remember, that in spite of temporary deviations, the imperialist colonial policy is of a parasitic character and definitely impedes the industrial development of India, as of other colonies.

To sum up, British policy allows a limited industrialization of India in order that she may help in the production of war materials, aid in fighting the trade competition of Japan and U.S.A., and be a profitable field for the investment of British capital. But her industrial development is subjected to the following restrictions: (a) it must be under the control of British capital, Indian capital being placated with a junior partnership; (b) Indian industries must never be allowed to compete on equal terms with home industries, or to work up raw material which is required for British industries; (c) the Indian market for British manufactures must not be interfered with, and (d) industries for the production of the means of production must not be developed.

In the preceding pages of this chapter the general trend of British policy in India and the development of the rivalry between British and Indian capitalists in the exploitation of Indian resources has been outlined, and it is now necessary to consider in greater detail the actual process of exploitation, the vast profits extracted from Indian labour, and as far as possible, to deal with the

complicated subject of the division of the spoils between the British and the Indian bourgeoisie.

The new method of mulcting India by investing vast sums in services for which the great mass of the Indian population had little use was first applied in the construction of railways, which were a source of profit for the British investor, while the Indians themselves were forced to defray the whole cost, and were extremely badly treated in the matter of passenger accommodation. The policy followed in their construction was influenced only by considerations of military strategy and the facilitation of exports and imports to and from Great Britain. No consideration was given to the position of mineral resources or future industrial areas.

Under the guaranteed profits system no one concerned with the building of the railways had any interest in economy. The original estimates, especially upon lines built under contract, were doubled and trebled. Instead of the £8,000 per mile for which Lord Dalhousie planned to cover India with railways, those in operation by 1868 had averaged £18,000.¹ Speaking before a Parliamentary Committee in 1872 William Massey, an ex-Finance Minister of the Viceroy's Council, said:

"All the money came from the English capitalist, and, so long as he was guaranteed 5 per cent. on the revenue of India, it was immaterial to him whether the funds that he lent were thrown into the Hooghly or converted into bricks and mortar. The result was these large sums were expended, and the East India Railway cost, I think (I speak without the book), about £30,000 a mile."

Professor Romesh Dutt points out in his *Economic History of British India* that the development of canals, in place of railways, would have been of very much greater benefit to the Indian population. He writes:

¹ *The Migration of British Capital to 1875*, by L. H. Jenks.

So great was the influence of British traders on the Indian administration that the Indian Government guaranteed a rate of interest out of the Indian revenue to companies constructing railroads in India; and £225 million were spent on railways, resulting not in a profit, but in a loss of £40 million to the Indian taxpayer up to 1900. And so little were the interests of Indian agriculture appreciated that only £25 million were spent on irrigation works up to 1900, and only twenty million acres of land protected out of over two hundred millions of cultivated land in India.

From the earliest days of railway construction in India a controversy has been going on as to the relative merits of railways and canals. Canals serve a double purpose, being available for both transport and irrigation, and are also very much cheaper to build and maintain than railways. But the requirements of British capitalists exercised a much more potent influence on the minds of Indian administrators than the needs of the Indian cultivator, with the result that only a small sum was spent on irrigation works, while more than six times the amount was recklessly squandered on the construction of railways. Owing to the climate of India the subject of irrigation is of the utmost importance to the life and well-being of the Indian cultivator, and through him to that of the whole population. From ancient times the construction and maintenance of irrigation systems was the most important function of Indian rulers, and their efficiency and the prosperity of their subjects were measured largely by the extent to which they performed this service. The decline of the central government of the Moguls brought with it a neglect of irrigation, and many of the old systems were allowed to fall out of repair. The East India Company lacked the foresight to realize that the expansion of its trade depended ultimately upon the prosperity of the Indian peasants, and

did not pay sufficient attention to irrigation; although it repaired a few of the old systems and constructed two or three new canals, it allowed vast areas of land to deteriorate through neglect of reservoir tanks and wells. When the Crown took over the Government of India in 1858 the rapid growth of the public debt and the general rise in government expenditure had made necessary increased taxation. But the peasant population had reached the extreme limit of impoverishment; they had already been bled white by the exactions of land revenue and other dues by the East India Company, and further exploitation was impossible unless something was done to improve the agricultural yield. Without irrigation and under the primitive methods of the peasant cultivators the land was yielding a very meagre return, while at the same time the ruin of the handicraftsmen by British competition was steadily increasing the pressure on agriculture. The Government was therefore obliged to turn its attention to irrigation and to the planting of more profitable crops, mainly commercial, such as cotton, jute, sugar-cane, oilseeds, etc. By far the greater number of the new Government irrigation works were for the irrigation of cotton-growing land, in order to supply the needs of the Lancashire cotton industry, while at the same time adding to the amount which could be collected in land revenue. Even where the irrigation schemes benefited the lands of the peasants, as in Northern Madras, the land revenue was increased so much that the peasants remained as permanently poor as before.¹

By 1878 £16,000,000 had been raised for irrigation, a very small amount when compared with the £170,000,000 which had already been spent on railways. In this year a Select Committee was appointed to

¹ See *India in the Victorian Age*, by Romesh Dutt, Chap xi, Irrigation and Railways.

consider the whole question of irrigation with special reference to a proposed scheme for the construction of navigable canals all over India at a cost of thirty millions sterling. This scheme would have been of far greater benefit to the Indian people, and much more remunerative, than the extension of the railways, and would have gone far to prevent famine. But it was turned down by the Committee because the canals would have competed with the railways and decreased profits. From this date Government expenditure on public works was limited to £2,500,000 per annum.

The slow growth of irrigation and its stagnation since 1929 is shown in the following table:

Irrigated Areas of British India

| Year | | | Million Acres | Percentage of cultivated area |
|---------|-----|-----|---------------|-------------------------------|
| 1880 | ... | ... | 29.25* | 14.8 |
| 1894 | ... | ... | 27.59† | 14.4 |
| 1912-13 | ... | ... | 49.22‡ | 21.8 |
| 1917-18 | ... | ... | 45.86‡ | 19.8 |
| 1928-29 | ... | ... | 49.76‡ | 21.8 |
| 1930-31 | ... | ... | 49.69‡ | 21.7 |

* Report of Famine Commission, 1880.

† Memorandum on Resources of British India, G. Watt.

‡ *Statesman's Year Books*, 1914-33.

It is noteworthy that the area irrigated is still very little greater than in 1913, and out of nearly fifty million acres irrigated only twenty-seven million are served by Government works, in spite of the profit derived from such works. The total capital outlay on Government works up to 1931 was £102,331,000, yielding a return of from 5 to 7 per cent.¹

The exploitation of India by British finance-capital and the investment of British capital in Indian railways, roads, canals, irrigation systems, postal services, etc.

¹ *Statistical Abstract for British India*, 1932.

necessitated the establishment in India of British banking and loan companies. The control of the banking system in India was a necessary step towards the British control of Indian industrialization, and this British financiers were not slow to realize.

In 1911, according to Sir George Paish's estimate,¹ 3.4 million pounds of British capital was already invested in banks in India and Ceylon, and by 1921 there were operating in India twenty-nine banking and loan companies, financed by foreign (mainly British) capital, with a paid-up capital of over £68,000,000.² Prior to the War there were, in addition to the Presidency Banks of Bengal, Madras and Bombay, controlled by British capital and favoured by the Government of India, the Exchange Banks, registered and chartered in countries other than India, the Indian Joint Stock Banks, and two Indian Co-operative Banks, only the two latter groups being financed and owned by Indians. The problem for the British capitalists was to increase the banking facilities in India without at the same time facilitating the rise of a competing Indian capitalism.

In 1914 the Indian-owned joint stock banks, of which there were seventeen, had a total capital equal to about two-thirds that of the (British) Presidency Banks, but between 1912 and 1916 they went through a period of considerable difficulty during which many of them failed. Witnesses to the Indian Industrial Commission (1916-18) complained that in many cases the failures were due to lack of support at a time of crisis by the Presidency Banks, which were assisted by the State out of public funds and on any basis of equity ought to have come to the aid of the Indian banks.³ This policy of

¹ See *Journal of Statistical Society*, January, 1911.

² *The Wealth and Taxable Capacity of India* (1927), by K. T. Shah and K. J. Khambata, M.A.

³ See evidence given by Auditor of Accounts, Lahore, before Indian Industrial Commission (Vol. V).

discrimination against the Indian-owned banks caused a great deal of discontent among the Indian bourgeoisie.

During the War years this policy of discrimination had to be dropped, and the Indian banks were able to take advantage of the increase in credit that was necessary to support the innumerable new industries that sprang up. When the War came to an end a situation had been reached in which the Indian banks were the immediate controllers of the new credit needed, although ultimately, of course, the Indian banks had to look to the Presidency banks for their credit. In 1920 there were twenty-five Indian joint stock banks whose paid-up capital had increased to Rs. 8.37 crores, while that of the Presidency banks had remained at Rs. 3.75 crores. This situation was, naturally, distasteful to British finance-capital, but it had to be handled delicately, for any open starving of the Indian banks of credit would have increased the hostility of the Indian bourgeoisie, a result which the British were anxious to avoid just then.

Eventually a scheme was worked out and applied in 1920, by which the Government obtained the ultimate control of all the Indian banks by means of the formation of one sole Government bank, under the title of the Imperial Bank of India, which amalgamated the Presidency banks and was entrusted with the management of the public debt.

By 1930 the banking figures were as follows:¹

| | Imperial Bank of India | Indian Joint Stock Banks | Indian Co-op. Banks | Exchange Banks |
|--|------------------------------|--------------------------------|---------------------------|-------------------|
| No. | 1 | 33 | 26 | 18 |
| Capital (Rs. crores) | 5.62 | 7.44 | 1.55 | £93 million |
| Deposits (Rs. crores in India) ... | 83.96 | 63.21 | 12.35 | 68.11 crores |

¹ *Statistical Abstract for British India, 1933.*

The Exchange Banks are foreign banks whose headquarters are not in India, but which have branches working in India. It must be realized, therefore, that the figure of £106 million given in the table above represents the total capital of all the foreign banks which have branches in India, not solely the capital operating in India. This latter figure would have been of more use for comparison with the capital of banks registered in India, but it is not obtainable.

From the Indian point of view the most important of the Exchange banks is the Chartered Bank of India, which does a large business in the Far East and the Straits and opened branches in Calcutta and Bombay in 1857. The connexion between the "Big Five" in British banking and banking in India is shown by the fact that the Chairman of this bank is also Deputy Chairman of the Westminster Bank Ltd. The Chartered Bank of India has had, since 1928, a controlling interest in the Peninsular and Oriental Banking Corporation Ltd., and through it in the latter's affiliated bank, the Allahabad Bank Ltd. The Allahabad Bank is, after the Imperial Bank, the oldest and most important of the rupee banks¹ in India. In 1921 95 per cent. of its shares were acquired by the P. & O. Banking Corporation Ltd. Lloyds Bank Ltd. is also established in India, having taken over the business of Cox & Co. Ltd. and the Indian branches of H. S. King & Co. The Hongkong & Shanghai Banking Corporation, a \$20-million bank which has branches all over Asia, as well as offices in London, New York, etc., has had an important branch in Calcutta for many years. This bank also has connexions, through its directors, with the Westminster Bank. The Bank of India, an Indian-owned rupee bank registered in 1906, is owned and financed by Bombay cotton manufacturers.

¹ The rupee banks have their headquarters in India and are capitalized in rupees.

The following table shows the profits made by some of the larger British and Indian-owned banks since the War. In each case the first figure given is that of the highest profit rate since 1920.

BANKING PROFITS¹

| | | Net Profit Rs. crores | Dividend % | Paid-up Capital Rs. crores |
|--|------|-----------------------------|-------------------------|----------------------------------|
| Imperial Bank of India ... | 1927 | 1.11 | 16 | 5.6 |
| | 1931 | .74 | 12 | 5.6 |
| Bank of India | 1920 | .18 | 14 | 1.0 |
| | 1930 | .14 | 10 | 1.0 |
| Allahabad Bank | 1920 | .10 | 18* | .35 |
| | 1931 | .05 | 18* | .35 |
| Chartered Bank of India | 1922 | Thou. £ 789.6 | | Mill. £ 20 $\frac{1}{4}$ 3 |
| | 1931 | 381.8 (a) | 14 (a) | 3 |
| Hongkong and Shanghai Banking Corp. | 1922 | Mill. \$ 12.9 | Rate per share £8 | Mill. \$ 20 |
| | 1930 | 20.7 | £7 | 20 |

* 12 per cent. dividend: 6 per cent. bonus.

It will be seen from the foregoing that British capital was paramount in the early days of the development of transport and communications, and that in the struggle with the Indian bourgeoisie for the control of the banks and, through them, of Indian industry, the imperialist power, as was inevitable considering the strength of its position, came out victorious. It is not surprising, there-

¹ These figures are taken from the *Investor's India Year Books*, 1926 and 1930-32, except those marked (a) which are from the *Economist*, October 8th, 1932.

fore, that on the industrial field also British capital is predominant. Only in two industries, the cotton textile industry and the iron and steel industry, have the Indians managed to retain the controlling power.

The Cotton Industry

From the beginning the cotton industry was mainly financed and controlled by Indian capital, and it is estimated that at the present time 95 per cent. of its share capital is in Indian hands, representing an investment of about Rs. 33 crores, or nearly £25 million. In 1854 the first cotton-spinning mill was erected in Bombay, which became the prominent mill centre, owing to its moist atmosphere and its shipping facilities. It was also the concentration point of raw cotton for shipment to all parts of the world and established a very important export trade of yarn to China. The progress of the industry may be seen from the first table on page 63.

In the first part of the present century India got its supply of cotton piece goods mainly from Great Britain; it was not until the end of the War that Indian mill production went ahead of imports. The following table gives the consumption of cotton piece goods per head of the population and shows the relation of imports to home production.¹

| Year | Consumption of cotton piece goods | | Imports (mill. yds.) | Mill production (mill. yds.) |
|---------|---|-------|-------------------------|------------------------------------|
| | Yds. per head | | | |
| 1900 | | 7.79 | 1,940 | 350 |
| 1907-8 | | 10.39 | 2,470 | 740 |
| 1913-14 | | 13.29 | 3,130 | 1,070 |
| 1918-19 | | 7.26 | 1,000 | 1,310 |
| 1927-28 | | 12.11 | 1,940 | 2,190 |
| 1929-30 | | 12.04 | 1,919 | 2,290 |

¹ *Government Annual Report for India, 1930-31.*

COTTON MILLS ¹

| Year Ending | No. of Mills | No. of Spindles (million) | No. of Looms | Average daily no. of workers | Approx. quantity of cotton consumed (mill. cwts.) |
|-------------|--------------|---------------------------|--------------|------------------------------|---|
| 1876 | 47 | 1.10 | 9,139 | not stated | not stated |
| 1883 | 67 | 1.79 | 15,373 | 53,476 | 1.6 |
| 1893 | 141 | 3.57 | 28,164 | 121,500 | 4.1 |
| 1903 | 192 | 5.04 | 44,092 | 181,399 | 6.1 |
| 1913 | 272 | 6.59 | 94,136 | 253,786 | 7.3 |
| 1923 | 333 | 7.93 | 144,794 | 347,380 | 7.5 |
| 1927 | 336 | 8.70 | 161,952 | 384,623 | 8.5 |
| 1928 | 335 | 8.70 | 166,532 | 360,921 | 7.0 |
| 1929 | 344 | 8.90 | 174,992 | 346,925 | 7.6 |
| 1930 | 348 | 9.12 | 179,250 | 384,022 | 9.0 |
| 1931 | 339 | 9.31 | 182,429 | 395,475 | 9.2 |
| 1932 | 340 | 9.50 | 186,407 | 403,760 | 10.2 |

The growth of the industry during the War years was reflected in immense profits and increased production. The following table² shows the growth in output, particularly in cloth:

| Year Ending | Yarn output (mill. lbs.) | Cloth output (mill. lbs.) |
|-------------|--------------------------|---------------------------|
| 1899 | 514 | 102 |
| 1914 | 682 | 274 |
| 1916 | 722 | 352 |
| 1918 | 660 | 381 |
| 1920 | 635 | 383 |
| 1925 | 719 | 458 |
| 1930 | 833 | 562 |
| 1931 | 867 | 590 |

¹ These figures are taken from the *Indian Year Book*, 1933-4, and show the progress of the industry in the whole of India.

² Compiled from the *Investor's India Year Book*, 1926-27, and *Statistical Abstract for British India*, 1933.

In 1895 the amount of capital invested in the industry stood at Rs. 11.6 crores and by 1914 it had risen to Rs. 20 crores and £200,000. This capital was mainly provided by the Indian bourgeoisie and in 1914 only £400,000 of it was held by foreigners. By 1928 the total paid-up capital in the industry had risen to Rs. 39 crores, nearly double the 1914 figure, of which, however, the foreign share had fallen to £203,000. By 1930 (latest figures available) the total paid-up capital had fallen to Rs. 35 crores (approximately £25,750,000).

The boom period during and after the war was used by the mill-owners to pile up profits. The total profits of 83 Bombay textile mills, which were 37 million rupees in pre-War time, went up to 67 million rupees in 1917 and 165 million in 1920. The average dividend paid by the important cotton mills in 1920 was 120 per cent., the highest figure being as much as 365 per cent. Arno Pearse, meeting the reproach directed against the Bombay mill-owners that they had disbursed during the boom too high a rate of dividend, states that the fixing of dividends lay with the general meeting of shareholders and cites a case where they were not satisfied with 400 per cent., but expected 500 per cent., on the basis of which several new shareholders had acquired their shares shortly before the meeting.¹

But no industry can pay out such fabulous profits indefinitely. The world depression had affected the cotton industry by 1924, and many Indian cotton mills were already in a serious position by 1928. In December of that year six of the 82 mills in Bombay were closed for want of finance, only 55 were working at a profit, and the remaining 21 were just making ends meet, or actually working at a loss. The Sholapur Spinning and Weaving Co., which paid out a dividend of 250 per cent. in 1922, still managed to pay 52½ per cent. in 1928, but

¹ *The Cotton Industry of India*, (1920), by Arno Pearse.

had dropped to 35 per cent. in 1929. The Bombay Dyeing & Manufacturing Co. dropped its dividend rate from 128 per cent. in 1919 to 20 per cent. in 1928 and 10 per cent. in 1930, the Central India Spinning and Weaving Co. from 160 per cent. in 1920 to 26 per cent. in 1929 and 20 per cent. in 1931, the Phoenix Mills from 175 per cent. in 1921 to 10 per cent. in 1928 and 1930, the Fazulbhoy Mills from 168 per cent. in 1921 to nil in 1929-1931.¹

In 1932-33 the cotton industry was still more seriously affected: in Bombay alone twenty-five factories closed, and the outlook is anything but favourable. Enormous reserves of textile goods are lying in the warehouses. Barbarous systems of rationalization are being introduced and workers' wages have come down to thirty shillings a month. The impoverishment of the Indian masses has had the effect of seriously curtailing the internal market, as is evidenced by the decline in the consumption of the poorer classes from 8 yards per capita in 1913 to 3 yards in 1930.² This is reflected in a drop of the cotton piece goods imports by over 1,000 million yards between 1928 and 1931, while the Indian production of cotton fabrics only increased by 47 million yards in the same period.³ The transference of some of the consumption from foreign to home produced goods is, of course, due to the nationalist boycott of foreign cloth. At the same time the share of Japan in Indian imports of cotton goods has been steadily rising and the yardage of cotton goods imported into India from Japan increased from 90 million yards in 1921-22 to 562 million yards in 1929-30, a rise of 600 per cent.⁴

¹ *The Investor's India Year Books*, 1929-30 and 1931-32

² *Bombay Chronicle*, December 23rd, 1931.

³ *Statistical Abstract for British India*, 1933.

⁴ Manchester Chamber of Commerce figures.

The Jute Industry

The jute industry, which is centred round Calcutta, was founded in 1855 by an Englishman with machinery brought from Dundee. Even to-day it is entirely controlled by British capitalists, although there is a large and growing proportion of Indian capital invested in it, and it is authoritatively stated that a majority of the shares are held by Indians.¹ This industry expanded almost as rapidly as the cotton industry, as will be seen in the following table:²

JUTE

| Year | No. of Mills | Looms | Spindles | Average daily number of persons employed |
|-------------|--------------|--------|-----------|--|
| 1879-80 ... | 22 | 4,946 | 70,840 | 27,494 |
| 1889-90 ... | 27 | 8,204 | 164,245 | 62,739 |
| 1893-94 ... | 25 | 10,169 | 214,679 | 78,114 |
| 1907-08 ... | 54 | 27,244 | 562,274 | 187,771 |
| 1913-14 ... | 64 | 36,050 | 744,289 | 216,288 |
| 1919-20 ... | 76 | 41,000 | 856,300 | 280,400 |
| 1929-30 ... | 98 | 53,900 | 1,140,435 | 343,257 |
| 1930-31 ... | 100 | 61,834 | 1,224,982 | 307,676 |

The Indian mills were consuming in 1925 more than five times as much jute as the Dundee industry, and its phenomenal prosperity during the War has so greatly strengthened its position that the reserve funds of the mills in almost every case exceed the capital.

In 1912-13 the total capital employed in the industry was Rs. 7 crores and £2,856,358; by 1929 it had increased to Rs. 18 crores, £2,525,000 and 12 million

¹ *The Financial Times*, January 9th, 1930.

² *Indian Year Books and Statistical Abstracts for British India*, 1933.

dollars. The average rate of dividends paid by the big jute mill companies in 1920 was no less than 140 per cent.

In 1928 when the jute mill-owners decided to make their employees work 60 hours instead of 54 hours for less pay than before, thus causing a widespread strike, some of the more important mill companies paid out dividends as follows:

| | |
|-------------------------------------|------|
| Budge-Budge Jute Mills Co..... | 100% |
| Belvedere Jute Mills Co..... | 100% |
| Caledonian Jute Mills Co..... | 120% |
| Fort Gloster Jute Manufacturing Co. | 140% |
| Hooghly Mills Co..... | 125% |

The Hooghly Mills Co., which had a paid-up capital of Rs. 16 crores in 1928, actually made a profit of Rs. 27 crores in 1919 and paid out a dividend of 100 per cent. plus a bonus of 300 per cent. The average rate of dividend paid out by this company in the ten years 1918-1928 was 125 per cent. per annum.¹ And it was at this point that the directors decided to force their workers, many of whom are getting less than four shillings a week, to work longer hours for less wages!

In recent years the jute industry has been affected by the depression, but in spite of this the larger companies declared dividends of from 55 per cent. to 85 per cent. in 1929, and from 10 per cent. to 40 per cent. in 1931. It is interesting to notice that although a larger number of spindles and looms were being worked in 1930-31 than ever before, the average number of persons employed was less than in the previous year by over 30,000.

Iron and Steel

The East India Company made fruitless attempts to develop the iron industry in the early fifties of last century,

¹ *Investor's India Year Books*, 1928-29 and 1929-30.

but it was not until the Bengal Iron and Steel Co. came on the scenes in the 'eighties that the industry made much progress. This company, which was controlled and financed from the outset by British capital, was the biggest concern in the iron industry until the arrival on the scenes of the Tata Iron and Steel Co., which immediately took the predominant position. In 1900 the Bengal Iron and Steel Co. had an annual output of 35,000 tons of pig-iron, and in 1919 it was reorganized as the Bengal Iron Co. Ltd. with a share capital of £2.1 million; in 1922 it doubled its capacity and built new blast furnaces and other plant. In 1925 it merged its interests with those of the £1½ million Indian Iron and Steel Co. Ltd.

But by far the greatest unit in the Indian heavy industries, and the only Indian producer of steel, is the Indian-owned Tata Iron & Steel Co. Ltd., which was formed in 1907 by Sir Dorabji Tata, who already had considerable interests in cotton, landed estates, hotels and shipping agencies. This company, which now has a paid-up capital of Rs. 13 crores, started operations in 1911 and was already producing steel rails by 1912.

During the War the iron and steel industry expanded rapidly, partly owing to the patronage of the Government, exercised by the Indian Munitions Board of 1916. The Tata Company supplied steel rails for Mesopotamia, Egypt, Palestine and South Africa. Between 1915 and 1918 its profits were quadrupled. By 1925 the steel-producing capacity of its plant at Jamshedpur was over 200,000 tons, and the rolling mills produced about 120,000 tons of rails and smaller sections.

In addition to its iron and steel plant the Tata Company owns all the larger known deposits of iron ore, many coal mines, limestone quarries, etc., and runs subordinate industries through five subsidiary companies; it is interwoven with the Bombay and Nagpur

cotton companies and together with them provides the chief source of wealth for the Indian bourgeoisie. In 1922 the Bengal Iron Co. raised £600,000 by a debenture issue, and the Tata Co. followed suit with a £2,000,000 issue. This financing helps to explain the phenomenal increase in production during the years 1919 to 1929. The table below indicates this growth:

**PRODUCTION OF IRON AND STEEL
IN INDIA ¹**

| Year | Pig Iron (tons) | Steel (tons) |
|------------|--------------------|-----------------|
| 1909 | 40,000 | |
| 1914 | 240,000 | 70,000 |
| 1919 | 320,000 | 190,000 |
| 1925 | 890,000 | 450,000 |
| 1929 | 1,350,000 | 580,000 |
| 1930 | 1,140,000 | 616,000 |

The Tariff Board set up in 1922 as a result of the Fiscal Commission's recommendations reported in favour of protection for the iron and steel industry, and the Protection Act of 1924 increased the import duties on steel manufacturers and granted bounties on certain of the Indian manufactured goods.

Up to 1920-21 the total export of metals (other than manganese) from India had not exceeded 122,000 tons per annum, but under the stimulus of protection the figures leaped up to 480,000 in 1924-25 and had reached 871,000 in 1929-30.² In 1930-31 as a result of the depression the figures fell to 697,000. In January and September 1925 further bounties were granted to the steel industry (or in other words to the Tata Company, which was the only company manufacturing steel in India) on the recommendation of the Tariff Board. The Steel Pro-

¹ Statistics of Iron & Steel Industries (National Federation of Iron and Steel Manufacturers).

² *Statistical Abstract for British India, 1933.*

tection Act of 1927 provided for further protection of the Indian steel industry by means of increased duties on imports, with preference for British steel imports.

When the depression began to make itself felt and many Indian firms had to seek the help of British financiers, at the expense of coming under foreign control, the Tata Iron & Steel Co. was in a strong enough position to maintain its independence. Although its 100-rupee shares fell in 1926 to 10 rupees, and it was obliged to obtain £2 million on the London market, these were purely debentures, and it has never come under the control of British capital. Nevertheless, even this company has been dependent on the goodwill of the Indian Government because a large proportion of its orders were for steel rails for government railways, and because it needed subsidies and tariffs to help it through the slump, and this naturally brought the house of Tata within the sphere of imperialist politics and prevented any indulgence in Nationalist activities. Under the Government's protection the Tata Company was for some years steadily expanding; the *Investor's India Year Book* of 1926-27 stated that its works "are designed for an annual output of 600,000 tons of pig-iron and the conversion of 570,000 tons thereof into 421,000 tons of finished steel"; but for the year ending March 1932 it was estimated that its output would be 800,000 tons of pig-iron and 450,000 tons of finished steel. But latterly the Tata Company has had drastically to curtail its output in consequence of the reduction of railway construction operations and the decline of the export of iron, especially to Japan.

In the meantime wages in the industry have remained scandalously low; exact figures for the different processes are not easy to obtain, but the Whitley Report² gives

¹ *Investor's India Year Book*, 1931-32.

² Report of the Royal Commission on Labour in India, 1931.

figures for blacksmiths in the metal industries ranging from 40 to 75 rupees per month (roughly £3 to £5 12s.). Yet when the Indian Legislative Assembly voted a heavy subsidy to the Tata Iron and Steel Company and an import duty against foreign steel an amendment in favour of a minimum wage received no support even from the Swarajist members.

The Coal Industry

Even before the expansion of railways coal-mines were to be found in certain areas in India, but the rapid development of the industry has been due to the needs of the railways (which consume about one-third of the total output) and the growth of the cotton and iron and steel industries.

The main Indian coalfields are in Bengal, Bihar, and Orissa, and all the larger coal companies are under British control. The total production of coal in India is still small as compared with that of Great Britain and America, but it increased rapidly during the War years; the needs of Mesopotamia and the War industries gave an impetus to the industry, and the expansion of the iron and steel firms, who owned and worked coal mines, added to its growth. In 1913 the output was 16.2 million tons, valued at £3.8 million; by 1919 it was 22.6 million tons, valued at £6.6 million, and in 1929 23 million tons, valued at £6.7 million.¹ The larger coal companies, such as the Singareni Collieries Co. and the Bengal Coal Co., which paid average dividends on their ordinary capital of 9 per cent. and 44 per cent. respectively during the years 1922-29, have been making large profits since the War, but many of the smaller companies have done even better—for instance the Katras Jherria Co. with a capital of only Rs. .05 crores paid out an average dividend of 96 per cent. in the eight years from 1922-29, and the

¹ *Statistical Abstracts for British India, 1920 and 1932.*

Bengal-Nagpur Coal Co., another British company with a capital of only Rs. .03 crores, paid out an average dividend of 75 per cent. per annum during the same period.¹ Meantime the wages and conditions of the workers, which are described in Chapter III, remain notoriously bad.

The most important company in the mining of non-ferrous metals is the Burma Corporation Ltd., which has a paid-up capital of Rs. 13 crores and made profits which increased from Rs. .51 crores in 1920 to Rs. 1.74 crores in 1929. The chairman of this company is Sir Robert Horne, who is also a director of Lloyds Bank.

Plantation Companies

The tea and other plantations, which are financed mainly by British capital, provide another important source of profit for the British investor. The export of tea to foreign countries increased greatly during the War and reached its high-water mark in 1919-20, decreased again until 1925-26, after which it rose nearly to the 1920 level in 1930-31.

EXPORTS OF TEA BY SEA FROM INDIA²

| | Million lbs. | | | | |
|----------------|--------------|-----|-----|-----|-----|
| 1896-97 | ... | ... | ... | ... | 150 |
| 1912-13 | ... | ... | ... | ... | 282 |
| 1917-18 | ... | ... | ... | ... | 361 |
| 1919-20 | ... | ... | ... | ... | 382 |
| 1924-25 | ... | ... | ... | ... | 340 |
| 1929-30 | ... | ... | ... | ... | 377 |
| 1930-31 | ... | ... | ... | ... | 356 |
| 1931-32 | ... | ... | ... | ... | 341 |

The high rate of profit in the tea industry, which is explained by the scandalous labour conditions (see

¹ *Investor's India Year Books*, 1929-30 and 1931-32.

² *Indian Year Books*, 1923 and 1931

Chapter III), is notorious. The average dividends paid by the biggest tea companies during the five years 1924-28 are shown below, together with the 1930 figures:

| | | | | Average dividends 1924-28 % | Dividend 1930 % |
|----------------------------|-----|-----|-----|-----------------------------------|-----------------------|
| <i>Sterling companies:</i> | | | | | |
| Amalgamated Tea Estates | ... | | | 52½ | 5 |
| Consolidated Tea & Lands | ... | | | 29 | 2½ |
| <i>Rupee companies:</i> | | | | | |
| Bishnauth Tea Co. | ... | ... | ... | 35½ | nil |
| Hasimara Tea Co. | ... | ... | ... | 36 | 20 |
| Patrakola Tea Co. | ... | ... | ... | 96 | 10 |

There has been a heavy drop in the dividends since 1929 owing to the fall in agricultural prices.

It is impossible in the space at our disposal to go into further details with regard to the British and Indian joint stock companies which are wringing profit out of the Indian people, but enough has been written to show that the exploitation, the effects of which on the Indian worker will be dealt with in the next chapter, has been extremely profitable to the foreign investor, as well as to a section of the Indian bourgeoisie. The distribution as between British and Indian investors of the total capital invested is extremely difficult to ascertain. With regard to British capital in India, Mr. C. B. Sayer (late secretary, Bombay Chamber of Commerce) writes:

The importance of our financial stake in British India is fully recognized, probably, only by a limited number of experts. Most people have no real conception of either its magnitude or diversity. Many merchants, bankers and manufacturers who are actively engaged in the trade would probably find it hard to arrive at even an approximate computation of the actual amount of the capital and services which is represented. External capital enters

India in such a number of forms that any calculation must be largely guesswork.¹

The most careful calculations with regard to the pre-War position are those made by Sir George Paish, the results of which were published in the Journal of the Statistical Society in January 1911, and are generally accepted as accurate. He did not separate India and Ceylon, but the percentage of purely Ceylon capital is an insignificant part of the total investments. He gives the total capital investments, up to and including 1910, as follows :

| | | | | | | Million £ |
|-------------------------------|-----|-----|-----|-----|-----|-----------|
| Government Securities | ... | ... | ... | ... | ... | 179 |
| Railways | ... | ... | ... | ... | ... | 137 |
| Tea and Coffee | ... | ... | ... | ... | ... | 20 |
| Rubber | ... | ... | ... | ... | ... | 5 |
| Tramways | ... | ... | ... | ... | ... | 4 |
| Mines | ... | ... | ... | ... | ... | 4 |
| Oils | ... | ... | ... | ... | ... | 3 |
| Banks | ... | ... | ... | ... | ... | 3 |
| Others (including jute, etc.) | ... | ... | ... | ... | ... | 10 |
| Total | | | | | | 365 |

His estimate of British capital investment in all other countries up to 1910 was £3,192 million, i.e. investments in India were 11 per cent. of the total foreign investments of Great Britain. It is significant that approximately 50 per cent. of the capital investments were in Government securities (mainly loans to pay for Imperialist wars in China, Afghanistan and Abyssinia, and wars of aggression in India itself) and 37 per cent. in railway securities.

By 1929 British capital investments in India had very

¹ *Financial Times*, January 9th, 1930.

greatly increased. Mr. Sayer, in an article in the *Financial Times* of January 9, 1930, estimated the total of British capital invested in British India as follows :

| | | | Million £ |
|---|-----|-------|-----------|
| Government Sterling Debt | ... | ... | 261 |
| Guaranteed Railway Debt | ... | ... | 120 |
| 5% War Loan | ... | ... | 17 |
| Investments in Companies Registered in India | ... | ... | 75 |
| Investments in Companies Registered outside India | ... | ... | 100 |
| | | Total | 573 |

He stated, however, that the figure of £175 millions of investments other than those in public loans was a conservative estimate, and that a minimum figure of £700 millions for the total investment " would probably not be very wide of the mark ". He pointed out that more British capital is invested in India than in any other individual country.

The excessive sum invested in Government securities, with its consequent burden on the Indian taxpayer, was largely due to the reckless piling up by the Indian Government of a national debt. The ambitious political policy of successive Governors-General in India from 1838 onwards, the policy of wars and annexations which led up to the Mutiny, was reflected in Indian finances by a steady increase of gross expenditure, unaccompanied by a proportionate increase in revenue. Even so up to 1857 India could have balanced her budget without building up a national debt had it not been for the increasing burden of the Home Charges, i.e. expenditure incurred in England, mainly consisting of dividends on East India stock (see Chapter I), salaries of

officers and cost of establishments connected with the Home Department of the Indian Government, furlough and retired pay to members to Indian military and civil services, charges of all descriptions paid in this country in connexion with British troops serving or about to serve in India, and the cost of transport of British troops to and from India. The following table¹ shows the steady growth of these charges, particularly after the change over to the Crown in 1858, and explains the rapid increase in the public debt.

| | | | Gross Revenue £ million | Home Charges £ million | Gross Expen- diture £ million |
|----------|-----|-----|----------------------------|---------------------------|-------------------------------------|
| 1837-38 | ... | ... | 20.8 | 2.3 | 19.8 |
| 1856-57 | ... | ... | 31.7 | 3.5 | 31.6 |
| 1857-58 | ... | ... | 31.7 | 6.1 | 41.2 |
| 1876-77 | ... | ... | 56.0 | 13.5 | 58.1 |
| 1921-22* | ... | ... | 185.6 | 50.0 | 222.0 |

* 1921-22 figures of revenue and expenditure from *Statistical Abstract for British India, 1930*, of Home Charges from *The Wealth and Taxable Capacity of India*, by K. T. Shah and K. J. Khambata.

The total Indian debt stood at 10 millions in 1799. As a result of Lord Wellesley's wars it had risen to 21 millions in 1805. During the next 35 years it only rose to 34½ millions, but the Afghan War of 1840 sent it up to 43½ millions by 1844-45. John Bright protested in the House of Commons against the enormous expense of the Afghan War—about 15 millions sterling—being thrown on the finances of India although "it was a war commanded by the English Cabinet, for objects supposed to be English."² The total debt in 1856-7 was 59½ millions sterling, and in the following year it rose to 69½ millions sterling. Not only was the whole charge of the war of 1857 thrown on Indian resources,

¹ *India in the Victorian Age*, Professor Romesh Dutt.

² John Bright's speech on August 1st, 1859.

but the number of British troops maintained was very considerably increased. During the next few years a military establishment was developed in India which cost more than the entire army of the British Empire outside of India. Charles Dilke declared that the chief value of the arrangement was that it "allows us to maintain at Indian cost 70,000 British soldiers, who in time of danger would be available for our defence at home."¹ Ten million pounds were expended on new barracks to house the troops. By 1860 the public debt had risen to over a hundred million.

As if this was not a sufficiently serious drain on the economic resources of an impoverished population, the State chose this moment to undertake the construction of railways and irrigation works—and railway lines and irrigation systems were recklessly extended with borrowed capital, with the result that by 1877 the debt stood at nearly £139 millions. This figure does not include the East India stock of 12 millions sterling, forming the capital of the East India Company, on which India still paid interest.

The East India Company had piled up a debt of £69½ million during the century of their rule in India; but the Crown administration doubled this debt in nineteen years. Efforts were made to stem the growth of expenditure—Mr. Gladstone appointed a Select Committee on Indian Finance in 1871—but nothing came of it. British interests required fresh lines of railways and further expenditure in India; it was easy to throw other burdens—such as the cost of the Chinese War and of the Abyssinian War, the cost of telegraph lines and military charges properly payable from English estimates—on India. Consequently by the beginning of the current century the debt had reached a figure of well over £200 million, and in the first quarter of the

¹ *Greater Britain* (1869), by Charles Dilke.

century it was actually trebled. In 1929-30 the total debt stood at £728 million, nearly £364 million of which is held in England and bears interest of from $2\frac{1}{2}$ to $5\frac{1}{2}$ per cent.¹

A large part of this debt is accounted for by the heavy expenses involved in holding India in subjection. The ultimate rule of the Viceroy in British India, as of the princes in the Native States, rests upon the power of British troops and the Royal Air Force. Units of the British Regular Army, with a total strength in 1933 of 59,241, are paid from the Indian Exchequer and organized in brigades and divisions with the Indian Army, the normal proportion being one British battalion to three Indian. There is also a British volunteer Auxiliary Force of about 29,000. The Royal Air Force in India comprises six squadrons, with 160 British officers and 970 British and 148 Indian other ranks. The total strength of the Indian Army is 166,000, of the Army Reserve 36,000, and of the Indian State Forces about 44,000. The Royal Indian Marine has recently been reconstructed as a combatant force and is now called the Royal Indian Navy.

The cost of the army in India is enormous (one British soldier is estimated to cost between three and four times as much as an Indian soldier)² and the total expenditure on defence services for 1933-34 was estimated at over 50 crores of rupees (i.e., about £37,500,000), which represents over 40 per cent. of the total expenditure according to the Budget estimates. The comparable figure for Great Britain for the same year is only 12 per cent.

A further charge on Indian resources is represented by shipping freights. It is not very easy to estimate the amount which India pays to the carrying countries (chiefly Great Britain) engaged in her overseas trade,

¹ *Statistical Abstracts for British India, 1930 and 1932.*

² Report of the Indian Statutory Commission (Simon Report) 1930.

but careful calculations have been made and are set out in detail in Shah and Khambata's *Wealth and Taxable Capacity of India*. In 1913 it was computed by the Board of Trade that India's proportion of the total earnings of the United Kingdom shipping was 9 per cent. Calculations by Shah and Khambata on a similar basis bring the Indian freight bill for 1922 to a total of over £14 million.

It is quite impossible to compute the total amount of tribute which the Imperial power draws from India. In addition to the interest on the £700 million of British capital, the home charges, which were already £50 million in 1921, and the freight and passenger charges paid to foreign companies, there are salaries, commissions, and a hundred other charges to be taken into consideration. And even this "economic drain", which is so often spoken of by Indian bourgeois nationalists as if it were the sole cause of the poverty of the Indian masses, only represents the adverse foreign balance and leaves out of account altogether the internal class relations, the share of the Indian bourgeoisie as landlords, agents, and usurers in the British exploitation of the peasants, and the participation of Indian capitalists in the even more intense exploitation of these same peasants when they have been driven into the factories as wage-workers.

India is a country of vast resources; in addition to wide fertile areas which can produce a large number of valuable crops, it has a vast store and a great variety of minerals, such as gold, silver, iron, coal, lead, manganese, mica, petroleum, salt, copper, rubies and other precious stones. Under the stranglehold of foreign rule its industrial development has been artificially retarded, and so far only the barest fringe of its resources has been tapped; thus in spite of the almost limitless possibilities of its unexplored wealth the majority of its

population live always on the verge of famine. We have seen from the foregoing how profitable even its restricted industrial exploitation has been to British capitalists and financiers; what this foreign exploitation and the consequent under-development of India's resources has meant to the Indian peasants and workers will be set forth in more detail in the next chapter.

CHAPTER III
THE PEASANTS AND WORKERS

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IN the previous chapters it has been shown how and to what extent India's industrial development was subordinated to the interests of her foreign exploiters. British imperialism first destroyed India's industries and then seriously handicapped any of her factory industries which might compete with British industries, with the result that India has remained a predominantly agrarian country, and 90 per cent. of her production is still agricultural. (The displaced craftsmen, instead of being gradually absorbed into mechanized industry as in other countries, were forced back on the land and the class of landless labourers was artificially increased to an alarming extent. At the same time the imperialist land monopoly, together with the exorbitant demands of land-tax collectors made it impossible for the peasant to gain an adequate subsistence on the land; and no attempt was made to help the peasant to cultivate his holding scientifically, to provide land for the landless, or to prevent the fragmentation of holdings as the population in rural areas increased.)

(The root cause of Indian poverty is to be found in the subjection of India as an agricultural colony to the manufacturing capitalism of Britain.) As early as 1880 the Famine Commission observed that "the numbers who have no other employment than agriculture are greatly in excess of what is really required for the thorough cultivation of the land". From 1891 until 1921 each successive census showed, despite

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the growth of industry during the period, an increase in the proportion of the population dependent on agriculture:

| Census | Percentage of population dependent on agriculture | | | |
|--------|---|-----|-----|----|
| 1891 | ... | ... | ... | 61 |
| 1901 | ... | ... | ... | 66 |
| 1911 | ... | ... | ... | 72 |
| 1921 | ... | ... | ... | 73 |
| 1931 | ... | ... | ... | 66 |

That the poverty of the agrarian population of India is not due to any shortage of land can be seen by a study of the official figures ¹ of the land cultivation :

| | 1915-16 | 1918-19 | 1924-25 | 1930-31 |
|--------------------------------------|-------------------|---------|---------|---------|
| | Millions of Acres | | | |
| Total area of land in British India* | 620 | 625 | 668 | 669 |
| Forest | 85 | 87 | 87 | 88 |
| Barren Land ... | 144 | 147 | 151 | 147 |
| Good soil, untilled | 114 | 114 | 153 | 154 |
| Fallow land ... | 52 | 73 | 47 | 50 |
| Sown Area ... | 222 | 201 | 227 | 229 |
| Area Irrigated ... | 47 | 47 | 45 | 50 |

* The increase is explained by the inclusion of " independent " areas.

These figures show that while the total sown area is only 229 million acres another 200 million acres, most of which could be cultivated, are left unsown. | As there is a tremendous reserve of labour in agriculture it is clearly the land monopoly alone which prevents the cultivation of this huge area, The figures showing the distribution of

¹ *Statistical Abstract for British India, 1926 and 1933.*

classes in Indian agriculture at the time of the last three censuses¹ are also instructive: /

| | 1911 Census Thou. | 1921 Census Thou. | 1931 Census Thou. |
|---|-------------------------|-------------------------|-------------------------|
| Landlords | 2,845 | 3,727 | 3,257 |
| Cultivators | 71,096 | 74,665 | 61,180 |
| Agricultural labourers | 25,879 | 21,676 | 31,480 |
| Others (market garden- ers, cattle raisers, foresters etc.) ... | 5,196 | 4,608 | 6,536 |

| The substantial increase in the number of agricultural labourers, or landless peasants, and the corresponding fall in the number of cultivators, will be explained later in this chapter when we deal with the question of land-tax and usury. The fall in the number of agricultural labourers between 1911 and 1921 was due to the scarcity of food in 1918, followed by a (devastating epidemic of influenza and other fevers, as a result of which there were over 11 million deaths, mainly, of course, among the poorest classes.)

| The main division "landlords" contains many different categories of the rural population. It includes, on the one hand, a small number of feudal landowners, who are in receipt of enormous revenues, and a large number of smallholders with very small incomes. In between these two extremes there are numerous grades of zemindars and tax-collectors, renters and sub-renters, all of whom live on the backs of the peasantry. The increase in the total number of landlords between 1911 and 1921 gives some indication of the intensification of the exploitation of the peasantry during this period; the subsequent decrease in the last decade is accounted

¹ *Statistical Abstract for British India, 1915, 1932, and Abstract of Tables 1931 Census.*

for by the disastrous effects of the depression on the smallholders.

As far as the British Government is concerned the exploitation of the Indian peasants is effected mainly by means of the land revenue, which forms 45 per cent. of the provincial revenues. The land revenue paid to the British Government, which was £15.9 millions in the year of the Indian Mutiny, had risen to £21 millions in 1913-14. During the last 10 years it has varied round about £25 millions. We have already discussed the method of assessment and the systems of tenure in Chapter I, but in considering the burden laid on the peasants it must be remembered (*a*) that the assessment is made not on the actual yearly income but on the average estimated production, so that in times of famine and scarcity the peasant is still called upon to produce his usual quota; and (*b*) that under the *zemindari* system the landlord keeps from 55 per cent. to 75 per cent. of the land-tax for himself, and only the remainder goes to the government. Thus, as over half of the land revenue is collected under the *zemindari* system, this means that for the year 1930-31, when the government received over £27 million in land revenue, the actual land-tax collected from the peasants must have been somewhere between £40 and £65 million. In Bengal statistics show that the *zemindari* appropriate three-quarters of the tax paid.

1 In addition to the burden of the land-tax the peasant suffers from the taxes on articles of general consumption, and even the Simon Report refers to the "grave inequalities which prevail in the distribution of taxation":

A poor cultivator, who not only pays to the State a substantial portion of his income from land, but also bears the burden of the duties on sugar, kerosene, oil, salt and other articles of general consumption, seems to

receive very different treatment from the big zemindar or landholder in areas where "permanent settlement" prevails, who owns extensive estates for which he may pay to the State a merely nominal charge fixed over a century ago and declared to be unalterable for ever, while his agricultural income is totally exempt from income tax.—(*Report of the Indian Statutory Commission, 1930, Vol. I*).

Taxation per head of the population rose from Rs. 2.4a. in 1891-2 to Rs. 4.2a. in 1924-25, excluding land revenue. Including land revenue it worked out at Rs. 5.9a. per head, and if local taxation be added, to about Rs. 8 (12s.) per head.

The result of all these exactions is to bring the average income of the Indian masses down to the lowest possible point. Even counting in the wealthy classes, and making no allowance for famine years, the average income per head in India in 1901-2 was officially estimated at only Rs. 30, or approximately £2 per annum. But Mr. William Digby, who analysed all the available figures for Madras very carefully, put the average for the whole population at £1. 2s. 4d., and the average, less allowance for wealthy persons, at 13s. 11d. per head per annum, *i.e.*, less than ½d. per day per person. He pointed out that food prices had been steadily increasing with the result that "the income of the Indian people—as represented in the amount of food they are able to procure—has diminished by more than one-half since 1850"; and that "one of my most emphatically-expressed opinions is that the current prices of food nowadays, year in and year out, are the famine prices which only occurred on exceptional occasions in the first half of the last century."¹

From the official statistics he showed that the average price of wheat in Bareilly in March (and he showed

¹ *The Food of the People of India, 1902.*

similar results in other districts and for other products) was:

| | |
|-----------------------|------------------------|
| From 1804 to 1860 ... | ... 76 lbs. per rupee |
| From 1861 to 1901 ... | ... 26 lbs. per rupee. |

He compared the decreasing death-rate in the United Kingdom with the increasing death-rate in India, and pointed out that, comparing the death-rate per thousand, 217 Indians died in 1900 to every 100 British and Irish, accounting for the difference by the fact that "British-ruled people all over India are 'clemmed'; *they haven't enough to eat*". In his foreword to W. L. Hare's *Famine in India* he states that between 1857 and 1901 "there have died in India from starvation, and starvation-induced diseases, *no fewer than thirty millions* of people: I should be nearer the mark if I said forty millions".

The increase in the number of famines and in the famine mortality during the nineteenth century is significant. In the first quarter there were five famines, resulting in a million deaths; in the second, two famines resulting in 500,000 deaths; in the third, six famines resulting in 5,000,000 deaths; and in the last, eighteen famines resulting in no fewer than twenty-six million deaths.

One of the most significant facts which emerged from the Report of the Indian Famine Commission of 1898 was that in the famine of 1897, which affected thirteen provinces, there was no absolute dearth of food. Although there had been a failure of the rains there was a sufficient surplus of food from normal years to feed the whole population, but as soon as the rains failed the prices of grain rushed up and the people affected had no money with which to buy. For this British rule was directly responsible. First, because it had ground down the peasants with taxation; secondly, because it had

destroyed handicrafts and handicapped Indian industry; thirdly, because it had saddled India with a national debt built up by imperialist wars; fourthly, because it impoverished the Indians by the devalorization of silver; and, fifthly, because its exaction of tribute in the form of agricultural produce kept prices up.

Of the total population of British India 66.4 per cent. are directly dependent on agriculture for their livelihood, and Indian exports consist almost solely of agricultural products. In spite of this the British Government spends eighteen times as much on the army as it does on assistance to agriculture, and less than an eleventh part of the land revenue extorted from the peasants is returned even indirectly to the land.

The 500,000 villages of India mainly exist as separate units. Metalled roads are scarce and railways scarcer. Rough tracks—impassable in bad weather—are the only means of communication. Therefore there is little internal trade and exchange, and the peasants must live entirely from the lands surrounding each village. Owing to the lack of irrigation works, “four-fifths of the cultivated area of the country is dependent upon a precarious rainfall”. (Simon Report, Volume I.) Hence drought and famine are always lying in wait for the Indian peasant. The big irrigation works carried out by the Government in the north-west (Punjab, Sind), and more recently near Poona, have been for the purpose of fertilizing land producing wheat and other export crops, latterly especially cotton and sugar-cane.

Twenty per cent. of British India is classified as forest land and directly controlled by the Government. Wherever the timber on this land is of any value the peasants are forbidden to use it for fuel and grazing rights are restricted, or, if allowed at all, must be paid for. The same is true of vast areas which are held as game preserves by the native princes and other big

landlords. Most of the agricultural districts are entirely without timber, and wood or coal must be bought if used at all. The peasants throughout India are therefore obliged to use cowdung for fuel instead of utilizing it as manure, and the land is thereby impoverished. No artificial fertilizers have been brought within the reach of the peasants.

Cattle are the most important possession of the cultivator; bullocks draw his primitive plough and the cart which is his only means of transport. The need for breeding bullocks and the religious ban on the slaughter of cattle leads to heavy overstocking, a steady deterioration among the underfed and ever-increasing cattle, and further exhaustion of the soil. The Report of the Royal Commission on Agriculture, referring to evidence concerning villages "overstocked with herds of wretched, starving cattle", stated that the cultivators were caught in a vicious circle: "as the cattle grow smaller in size and greater in number the rate at which conditions become worse for breeding good livestock is accelerated".

The increasing number of men, women, and children dependent on the land leads to constant sub-division of the family holdings, with the result that the average size of a peasant holding in the south and east of India is now only five acres. In the evidence given before the Royal Commission on Agriculture (1928) it was shown that in the Presidency of Bombay, for instance, 48 per cent. of all the agricultural holdings consisted of less than five acres of cultivated land, and that this large percentage of small peasant holders held altogether only 2.4 per cent. of the total area.

Out of this tiny holding, cultivated with the most primitive implements and no scientific aids, the peasant is expected not only to support his family, but also to pay land revenue, water rate and various local cesses

to the Government, or rent, pasture fees, and numerous other forms of tribute to the landlord, the whole amounting frequently to one-half the value of his crops. This is, of course, impossible, and the peasant falls into debt, with dire consequences to himself and his family.

In 1917 Dr. H. Mann, the Director of Agriculture in Bombay, made a scientific and exhaustive inquiry into the cultivation, crops, landholdings, debts, family income and expenditure, etc., of a typical village in the Deccan. The results were, in the words of the author, so "unexpected" and so "depressing" that critics declared that the conditions of the village in question could not be accepted as typical. Dr. Mann thereupon turned his inquiry to another village, and in a study published in 1929 reached exactly similar results.

He found that in the first village 81 per cent. of the holdings "could not under the most favourable circumstances maintain their owners", and in the second 85 per cent. of the population were in this unsound economic position. He reached this conclusion on the basis of an estimate of the economic minimum for the cultivator's standard of life, on the lowest level as regards food and clothing and without any allowance for such a luxury as artificial light.

He found that the average size of holdings had fallen from 40 acres in 1771 to 7 acres in 1915. This excessive subdivision, which has progressively increased during British rule, is not due to increase of the population (which has been less in proportion than the increase in European countries), but rather to the stifling by British capitalism of all other forms of economic life.

Another reason for the unsound economic position of the villagers was the heavy burden of rent, which led to the further burden of debt interest. Dr. Mann found that the assessment for land revenue had risen from 839 rupees in 1829-30 to 1,660 rupees in 1914-15, represent-

ing an eighth of the net return on all crops. He found that the average rent paid to the landlords represented half the cultivators' net produce. In the first village he found the interest on debt amounted to 2,500 rupees against a total net return on the land of 12,000 rupees; in the second it amounted to 6,700 rupees against a net return of 14,000 rupees. Many of the villagers had already lost their holdings to the moneylender; in the second village the village usurer and shopkeeper, starting from nothing, at the time of the inquiry held 172 acres and had 50,000 rupees on loan.,

An official inquiry in the Bombay Presidency in 1921 revealed the fact that from 42 to 55 per cent. of the inhabitants were in debt. In the Punjab, where the average number of mortgages increased from 15,000 to 50,000 a year between 1873 and 1893, Mr. Darling, a Government official, calculated in 1922 that the total agricultural debt of the province amounted to 19 times the land revenue.¹ Between 1911 and 1921 the number of persons living on rent from agricultural lands in this province increased from 626,000 to 1,008,000.

In many parts of the country the peasant and his whole family are degraded by indebtedness to a position of slavery. According to the Report of the Royal Commission on Labour in India (Whitley Report, 1931): "Under the *kamiauti* system in parts of Bihar, and the *veth* and *khambari* systems in the north of Madras (to mention two examples of practices which we understand are not confined to these localities), the labourer borrows money from a landlord under a contract to work until the debt is repaid. The debt tends to increase rather than to diminish, and the man, and sometimes his family, is bound for life. Serfs are even sold and mortgaged. Such systems have now no legal

¹ M. L. Darling, *The Punjab Peasant in Prosperity and Debt*, 1925.

sanction, and in Bihar special legislation has been adopted in the endeavour to eradicate the abuse; but it continues to exist. (*Report of the Royal Commission on Labour in India, 1931.*)

By advancing seed before the sowing season at usurious rates of interest (30-65 per cent.), and by advancing goods to the peasant before the harvest season, the moneylender, who is most frequently also the village shopkeeper, can claim most of the crop left to the peasant after revenue demands have been met, and from season to season the peasant gets further and further involved in debt till his scanty plot of land passes into the hands of the moneylender. This process of land alienation became so acute in the Deccan and the Punjab that peasants' riots broke out in the late 'seventies and the Government was compelled to pass the Deccan Agricultural Relief Act of 1879, which prevented moneylenders from arresting debtors or seizing their land. But this Act proved ineffective because the moneylender was able to exercise effective control over the cultivators without taking possession of the land. "In the Deccan, for example, the *Marwari* [moneylender] never wanted to take possession of the land; in many cases he did not have the land transferred to himself legally, but it was still allowed to remain in the old cultivator's name; the *Marwari* merely appropriated to himself the entire profits of cultivation in virtue of the large number of debt bonds that he held. The cultivator had to toil hard each year and at the end of it his mere subsistence was dependent on the clemency and reasonableness of the *Marwari*. Thus was a great portion of the Deccan peasant class reduced to virtual serfdom."

All over India the same process is going on, and the final stage of complete expropriation has already been reached by a large number of those dependent on the

¹ *Industrial Evolution of India, (1929), by D. R. Gadgil.*

land. In 1882, $7\frac{1}{2}$ million of those engaged in agriculture were estimated to be "landless day labourers". In 1921 the census showed 37.9 millions as the number of agricultural labourers and their dependants. In 1927, at the All-India Trades Union Congress, N. M. Joshi estimated the number of agricultural wage earners as 25 millions, and those partially engaged as wage earners (that is, peasants whose land was not enough to give them bare subsistence) at 50 millions. The figures for 1931 are not yet completely analysed, but show a total of 31 million for agricultural labourers and "working dependants" only.

The position of the vast mass of Indian peasantry during the last thirty years has become steadily worse. The evidence given before the Royal Commission on agriculture (1927) showed that the fragmentation of holdings is going on apace; in a district of a million acres in Bombay which was said to be "infinitely better off than many others", figures for the five years 1917-22 were showing a marked increase in the number of holdings up to 15 acres (an area which cannot economically employ a pair of bullocks), a drop in the holdings of between 25 and 100 acres, and a bigger drop still in those between 100 and 500 acres. Between the 1921 and the 1931 censuses the number of agricultural labourers (*i.e.* landless peasants) increased from 21.60 million to 31.4 million; and the wages of these labourers, in spite of the rise in prices were actually 9 to 6 per cent. lower in 1922 than in 1914.

In the meantime the world agrarian crisis has decreased the value of the peasant's crops and increased his indebtedness. In October 1929 the prices of India's staple agricultural products, cotton, jute, wheat, rice, tea, etc., began to fall, and in ten months had fallen by nearly 20 per cent. By the autumn of 1932 they had fallen by about 50 per cent., and they are now at a level

which gives no profit to the producer, while at the same time taxation has increased. The fall in prices is accompanied by a decline in production, and a reduction in the total sown area has already commenced. In 1930-31, under the influence of the crisis, the peasants began to change over from industrial raw materials to wheat, from high-grade cultures to lower grade. This caused an increase in the grain crops, but the intensification of the crisis made it impossible for the peasants to keep up this increase, and in 1932 the area under wheat in the Punjab (the basic wheat district) fell by 15 per cent. During the last ten years the yield of wheat per acre fell from 760 lb. to 600 lb., rice from 877 lb. to 837 lb. per acre.¹

| Sown Area (in 1,000 acres) ² | | | | | |
|---|-------|--------|--------|--------|-------|
| | | Rice | Wheat | Cotton | Jute |
| 1929-30 | ..... | 80,622 | 31,654 | 25,922 | 3,415 |
| 1930-31 | ..... | 82,706 | 32,189 | 23,812 | 3,492 |
| 1931-32 | ..... | 84,034 | 33,749 | 23,522 | 1,862 |

This fall in prices has vastly increased the burden of rural indebtedness; for instance, according to figures given by the Indian Central Banking Committee, "the increase of rural debt in the Punjab from Rs. 90 crores in 1921 to Rs. 135 crores in 1929 really represents a debt of Rs. 270 crores in 1930. As the total rural indebtedness of India is estimated at Rs. 900 crores, the general effect of the lower price-level can be estimated".³ In spite of the disastrous fall in agricultural prices the burden on the peasants of land revenue is increasing; in 1928-29 (before the slump) the land revenue collected was approximately £24,750,000, but in the budget estimates for 1930-31 the amount had risen to approximately £27,000,000. The Provincial Government of the

¹ *Bombay Chronicle*, January 10th, 1933.

² *Statistical Abstract for British India*, 1933.

³ *The Economist*, October 31st, 1931.

United Provinces was forced to admit that the "tenants" preferred to leave the land and abandon their rights rather than pay the rent which the circumstances had made high. As a result, in 1931 alone the number of such abandonments increased from 26,860 to 71,430. The same Provincial Government admits that the number of orders for the forced collection of land-tax was 256,284.¹

At the same time the growth of unemployment in the towns and plantations has closed these former avenues of escape from destitution. This is the basis for the revolutionary temper which has been steadily gaining momentum among the Indian peasants, and has been demonstrated in mass action against taxation, landlords, money-lenders, etc., throughout 1930-33.

The Plantation System

As a result of the spread of destitution among the peasants many thousands have been obliged to seek work in the industrial areas or on plantations. The plantation system of India covers an area of over 3,000,000 acres and employs over a million workers. The tea plantations, which are mainly situated in Assam, are the most extensive; then comes coffee covering 278,000 acres in Madras and Coorg, and rubber covering 253,000 acres in Madras, Coorg and Burma. Other plantation crops of less importance are cinchona (for quinine), pepper and cardamom.

The tea and coffee gardens have their own factories for dealing with the harvested crops, but these factories are open intermittently and employ only a small fraction of the workers. The plantations lie mainly in forest tracts, cleared by the planters, where the local population was extremely sparse, and labour is therefore

¹ *The Communist International*, June 15, 1933.

recruited from distant parts of India. This is particularly true of Assam, where over 550,000 workers are required to work in an area whose people, language and climate are entirely foreign to them. The recruitment of labour for these and other districts has been attended by serious abuses. Assam was known to be malaria-ridden; any worker who went there knew that he could never hope to get back unless his employer went to the expense of repatriating him, and that, owing to the close agreements of the planters' association, once there he was tied to the one employer. On the other hand, labour was immensely valuable to the tea planter and he was willing to pay large sums to agents who would procure it for him (without any enquiry into their methods), and after paying the expenses of recruitment and travel he was very unwilling to let a man go again until he had worked for a substantial term of years. This led to an indenture system which was no better than slavery, and to the growth of a professional class of recruiters who would adopt any device to secure the large prices obtainable for the supply of labourers. A series of laws governing recruitment to Assam (from 1863 onwards) provided that the labourer was bound by contract to serve for a specified term of years on the garden to which he was recruited, made him liable to criminal punishment for failure to work, and gave the employer power to arrest him if he left the garden before the agreed time. Each worker recruited had his thumb-print taken for identification purposes.

This system became so notorious that it had the ultimate effect of decreasing the labour supplies for Assam just when the industry was expanding, and it was therefore modified by an Act of 1901 which limited recruiting to special plantation officials, and took away the employers' power of arrest. Penal contracts, however, were still enforced up to 1926, and the majority of

labourers do not even now know that they have been abolished, particularly in many gardens where the thumb print is still taken. In any case the Assam labourer remains in a position of serfdom owing to the fact that he cannot get work under another employer without the consent of his present one, and is totally unable to pay the expenses of his journey home. It is not surprising, therefore, that the plantations are regarded mainly as the last hope of the starving, or—as the Whitley Report puts it—as “an avenue of escape from destitution and even servitude.” Further testimony on this point is given also in the Whitley Report in the chapter on the health of plantation workers :

We were informed that the physique of new recruits was frequently a matter of concern to garden managers, who sometimes found it necessary to issue free food for several weeks to a proportion of new arrivals in order to improve their physical condition before they were set to work. This is not surprising when it is remembered that these emigrant labourers are in many cases forced to leave their villages through sheer want.

The conditions of the plantation workers are much the same as those of the workers in unregulated factories; they have no legislative protection, their hours are unlimited, as regards housing, sanitary conditions, food, and medical aid they are entirely at the mercy of their employers. The employers are strongly organized and can fix wages at any figure they choose, while the workers have no organization at all. Under these circumstances wages are even lower than in the factories. According to the Whitley Report the average monthly earnings of a worker in the Assam tea gardens *if he did not absent himself on a single working day* would be as follows :

| | | | | | |
|----------|-----|-----|------|----|------|
| Men | ... | ... | 15/- | to | £1 |
| Women | ... | ... | 12/- | to | 16/- |
| Children | ... | ... | 8/- | to | 11/- |

The Indian Tea Association, which represents 90 per cent. of the total area under cultivation in Assam, makes wages agreements through its district committees to prevent one planter from paying higher wages than another. In order to make it possible for the workers to live on this scanty wage they are housed by the employer in mud blocks, one room per family, and sometimes also allowed free grazing for cattle and land for cultivation at a low rent. Free medical facilities are also included in the attractions offered to the workers, but even the Whitley Commission, with its obvious desire to look on the bright side of things, had to admit that in the smaller gardens "the so-called hospital accommodation is uninviting", and that in some cases no medical provision of any kind is made. There is rarely any provision of clean drinking water or bathing and washing facilities; hookworm disease and malaria are rife, and the Whitley Report mentions one garden where "the manager admitted that his labour force was infected 100 per cent. with malaria, and that very little anti-malaria work had been undertaken." While accepting the medical evidence submitted by the employers' doctors to the effect that the dietary of the plantation labourer is "fairly satisfactory" the Whitley Commissioners remark:

We do not intend to imply that malnutrition does not exist—or that improvement is unnecessary. Indeed we believe that much larger supplies of fresh milk, *ghi* and vegetables are a vital need for the labour forces resident on the plantations, if their general health is to be improved.

In all the plantations the whole family works in the gardens, there is no provision for the care of babies or

for education. In some gardens children of four and five are admitted as workers, and one manager told the Whitley Commission that they started on light tasks "as soon as they could walk." The Whitley Commission (on which were two representatives of reformist Indian Trade Unions) actually recommended that children under ten years of age should be excluded from the gardens, while those of the mature age of ten should be allowed to work unrestricted hours. It tentatively suggested that the employers should provide educational facilities for the children from six to ten years of age. No provision of crèches or day nurseries was so much as suggested.

The English and Scottish Joint Co-operative Wholesale Society owns tea plantations in India employing about 10,000 workers. Most of these estates are situated in Southern India, only one, employing 1,000 workers, being in Assam. The conditions on these plantations are above the average, though the wages are still very low, ranging from 18s. 6d. to £1 per month. The health of the workers is more carefully looked after, there is a hospital on each group of estates and free medical attention is provided. Children are not excluded from work on the estates, although in Southern India, schools and crèches are provided for those whose parents do not make them work. The housing and sanitation is more satisfactory than on other plantations and good water is supplied. The excuse of the C.W.S. for the employment of children is that, while they would welcome legislation making higher standards compulsory on all the employers, they do not wish to handicap themselves with social expenses not carried by their competitors.

By far the greater number of the plantations are managed by European joint stock companies; about 90 per cent. of the plantations in North India and nearly all those in Madras and Burma are controlled and managed by Europeans; the small province of Coorg is

the only area where the Indian planters are in the majority. That the intensive exploitation of family labour which the plantation system represents is highly profitable can be seen by a glance at the analysis of plantation companies given year by year in the India Year Book. To take a few examples: The Bishnauth Tea Company, which cultivates 3,400 acres of mature tea in Assam, made a profit in 1927 of £18 per acre and paid dividends on its ordinary shares of 42½ per cent. in 1927 and 30 per cent. in 1928; the New Dooars Tea Co., with an acreage of under 1,000, made a profit in 1924 of £38 per acre, and paid an ordinary dividend of 225 per cent; the Chulsa Tea Company, a London Company which cultivates 5,271 acres of tea in the Dooars, paid dividends of 30 per cent. each year for the five years up to 1927, and 75 per cent. in 1928; the Jhanzie Tea Association Ltd., which owns over 18,000 acres in Assam, paid dividends from 40 per cent. to 45 per cent. each year from 1924 to 1928, plus a share bonus of 100 in 1928.¹

But not even the plantation companies, which managed to keep up their profits longer than did the industrial companies, could evade the consequences of the depression for long. By 1930 we find the following position:

The overproduction of the lower qualities of tea has reduced prices to the lowest level for a number of years. At the same time the tea stocks have reached enormous dimensions. In order to get out of the depression, endeavours are being made to take measures to restrict production in the coming year.²

In this year the dividend rates of the Bishnauth Tea

¹ Figures from *Investor's India Year Book*, 1929-30.

² *China Express*, January 8th, 1930.

Company dropped to nil, and its profit per acre to 13s. 6d., and this is fairly typical of the situation.

The Industrial Workers

The pressure on the soil and the exactions of landlords and money-lenders have combined to drive the Indian peasant into the factories, in spite of the low wages and the appallingly insanitary conditions which he finds in the industrial centres. But the number of industrial workers, when one considers the size of the population, is extremely small. Owing to the decline of the home industries the census figures show a decrease in the total number engaged in industry since 1911, although the number of workers employed in organized factories and workshops increased a great deal between 1911 and 1921. The census figures show that the total number of workers in industry fell from 17.5 millions in 1911 to 15.7 millions in 1921 and 15.4 millions in 1931; in 1921, 10.5 per cent. of the population were engaged in industry and in 1931, 9.95 per cent.

The distribution of the workers in industry, mines, transport, etc., was given in the 1931 census as follows:

| | No. of workers |
|--|----------------|
| Industry (total) | 15,361,933 |
| Textiles | 4,102,132 |
| Dress and Toilet | 3,380,824 |
| Wood | 1,631,723 |
| Food Industries | 1,476,995 |
| Ceramics | 1,025,030 |
| Building Industries | 618,527 |
| Metals | 713,070 |
| Chemicals, etc. | 603,504 |
| Hides, Skins, etc. | 312,074 |
| Other industries | 1,498,054 |
| Mines, quarries, salt, etc. | 346,000 |
| Transport (including Postal, Telegraph and Telephone Services) | 2,341,406 |

A large number of workers are employed in small establishments not registered under the Factories Act, and a larger number still work at home and have no employer in the strict sense of the word, though most of them sell to a single merchant, to whom they are usually deeply in debt. For instance, the 1921 census shows over four million persons employed in the textile industries, but in 1929, according to the Whitley Report, only 696,000 of these workers were employed in factories using power and employing 20 or more persons. The census figures of 1931 have not as yet been analysed as fully as those of 1921, but an "Abstract of Tables"¹ has been published which contains the following comments on the table concerning occupation:

In 1921, the persons employed in mines, plantations and organized industrial establishments having 10 or more employees numbered 2,681,125, out of a total of 23,236,099 persons engaged in Mines, Industry and Transport. The total under these three heads comes to 25,005,280 in 1931, and though no general return has been obtained from industrial establishments employing organized labour it is believed that the maximum number of organized employees, corresponding to the $2\frac{1}{2}$ million of 1921, cannot exceed 5,000,000, and if the rate of increase be the same as in the previous decade the figure will be about 3,250,000, of which 1,553,169 are employed in establishments governed by the Factories Act.

From this it is clear that only a very small proportion of the total number of industrial workers are protected by the provisions of the Factories Act and that the vast majority of the fifteen million industrial workers are working under unregulated conditions.

The industrial workers are, for the most part,

¹ *East India (Census 1931) Abstract of Tables* (published by H.M. Stationery Office).

immigrants from the villages driven by debt to the towns. They keep in touch with the villages and return to them fairly frequently. They are recruited, paid, and supervised by a sub-employing class called "jobbers", who get them under their power from the outset by charging them up for the recruiting expenses, and by advancing money against their first month's wages. Before 1923 there was some shortage of labour in the factories and the jobbers used to offer inducements to the workers to work under them. The position is now reversed as the supply of labour is considerably greater than the demand, and the worker is obliged to bribe the jobber in order to get a job, and often to continue his bribes in order to keep it.

The fact that wages in India are usually only paid monthly, and then anything from ten to fifteen days after they are due (a piece of cheating on the part of the employers for which no justification has even been put forward), gives the jobber a fine opportunity to make debt-slaves of all the workers under his control. According to the Whitley Report: "It is estimated that, in most industrial centres, the proportion of families and individuals who are in debt is not less than two-thirds of the whole. We believe that, in the great majority of cases, the amount of debt exceeds three month's wages and is often far in excess of this amount." The average rate of interest varies greatly from district to district, but it is commonly 75 per cent., and investigations have revealed rates as high as 225 per cent. (Ahmedabad), 150 per cent. (Central Provinces) and 325 per cent. (Bengal). The borrowing of a trifling sum often leads in a few years to a permanent and heavy load of debt. In a number of cases a stage is reached when the money-lender takes from the worker the whole of his wages, paying him only sufficient for subsistence, and even puts the members of the worker's family to work on a similar

basis. The mill-jobbers of Ahmedabad recruit boys from the neighbouring villages on a contract system, paying the parents about £2 5s. a year for two or three years' contract, in exchange for which they take the boys' earnings and house, feed, and clothe them. This system of child slavery is applied also to older boys, for whom from £7 10s. to £9 per annum is paid the parents.¹ This systematic enslavement of the workers renders it very difficult for them to fight for higher wages or better conditions, and, of course, adds enormously to the difficulties of trade union organization.

Factory Legislation and Wages

Up to 1881 there was no factory legislation in India, and the first Factory Act merely excluded children under seven from power factories employing 100 or more workers and set the maximum for children of seven to twelve at 9 hours daily. By 1922 various amending Acts had reduced hours for all workers in regulated factories to 11 per day and 60 per week; excluded children under twelve years and restricted the hours of children of twelve to fifteen to 6 daily. The present Factories Act is derived from the Acts passed between 1911 and 1926 and applies to all factories using power and employing 50 persons, and gives power to local governments to include all factories using power and employing 20 or more persons, but it must be remembered that it only applies at present to roughly 1½ million out of 23 million industrial wage-earners.

Arno Pearse, Secretary of the International Federation of Master Cotton Spinners' Associations, states that as a result of these regulations the employment of children in the Bombay mills has ceased, and gives a table showing only 55 children employed in the mills in 1926 and

¹ *The Cotton Industry of India*, 1930, by Arno Pearse.

32 in 1927; but there seems to be something curiously wrong about these figures, for two pages further on, when he is dealing with the extent of fining, he gives figures showing that in 1926 in 45 of the Bombay Mills alone 1,497 children were employed, and it is interesting to discover that these children lost no less than 148 rupees of their wages in fines during that year.¹ In the Ahmedabad mills there were still 1,226 children employed in 1922 and, in spite of improvements in certification methods, some children are still working in two mills, and therefore doing double the legal hours. It is important to remember that *factories in which no power machinery is used are unregulated*, however many persons are employed in them, and large numbers of women and children are to be found working in mica, wool, shellac, *bidi* (Indian cigarettes), carpet factories and tanneries without restriction as to hours or age and under the foulest and most unsanitary conditions. The Whitley Report describes the work of women and children of eight years and upwards in wool cleaning factories:

The initial process consists of tearing or beating out, with the hands and with iron rods, lumps of dry mud, coagulated blood and other extraneous matter from the unsorted wool. This is a foul process and, as no system of grids to remove the accumulated dust is provided, the air, the person and the ground quickly become covered with powdered dirt and wool fluff. Very young children sleep alongside their mothers on piles of wool, their faces and clothes covered with a fine layer of this germ-laden dust.

Of *bidi* (cigarette) factories the Report states:

Workers as young as five years of age may be found in some of these places working without adequate meal

¹ *The Cotton Industry of India*, 1930, by Arno Pearce, pp. 87 and 89.

intervals or weekly rest days, and often for ten or twelve hours daily, for sums as low as two annas (about 2½d) in the case of those of tenderest years. This recalls some of the worst features of child apprenticeship in England at the time of the agitation prior to the passing of the first Factory Act, particularly when it is realized that many of the parents of these child workers are in debt to the employers. As a result they are not in a position to enquire too closely into the treatment meted out to their children or to do other than return an absconding child.

Apart from the restrictions with regard to hours and the employment of children, conditions in the regulated factories are not much better than in the unregulated. In the jute factories of Bengal in 1926 out of 319,000 workers in 76 mills, 80,000 were women and 29,000 children. The women bring their babies into the factory with them. Hours of work are from 7.30 a.m. to 7 p.m. with no regular intervals. The worker holds her baby on one arm as she tends her loom, the older children play about in an atmosphere charged with dirt and dust. Expectant mothers, haunted by fear of dismissal through absence from work, often give birth to their children in the factory itself. It was officially reported in 1924 that, out of 132 women whose cases had been investigated, 102 had given birth to their children in the factories.¹

In Bombay women are not allowed to bring their babies into the cotton mills, and as most of them cannot afford to pay anyone to look after them, they drug the babies with opium to keep them quiet. An investigation by a Government officer in 1922 revealed that 98 per cent. of the children of Bombay mill workers were given opium.² As a result of this investigation some effort has

¹ Shrader & Furtwängler, *Das Werktätige Indien*, 1928.

² *Bombay Labour Gazette*, September, 1922.

been made to provide crèches, and Arno Pearse¹ reports that 13 Bombay mills, 16 Ahmedabad mills and 3 Sholapur mills now have good crèches, but these can, of course, provide for the needs of only a very small percentage of the workers.

It has been well known for many years that labour conditions in India are among the worst in the world, but statistical information on the subject is difficult to obtain. The wages statistics given in the Whitley Report will be used as a basis as they are the most up-to-date available, but they are meagre and not entirely trustworthy as they were in most cases given by the employers and taken from selected factories for certain dates only.

The average monthly earnings in the cotton mills in 1926 were as follows:

| | | Men | Women | Children |
|--------------|-----|----------|-------|----------|
| Bombay ... | ... | 57s. | 26s. | — |
| Sholapur ... | ... | 34s. 6d. | 15s. | 9s. |

According to Arno Pearse (Secretary of the International Federation of Master Cotton Spinners' Association) cotton wages in South Madras Presidency are only half what they are in Bombay.¹

The general strike in the Bombay mills in April to October, 1928, threw a good deal of light on the conditions in the textile industry, and the report of the Fawcett Committee which was appointed to settle the points at issue makes interesting reading. The report, in discussing the millowners' demand for a 7½ per cent. reduction in weavers' wages, gave comparative tables which showed how low are weavers' wages in India in comparison with those in other countries. The comparison with the United States and Great Britain in 1926 is as follows:

¹ *The Cotton Industry of India, 1930.*

India (males on two looms) £3 12s. per month of 26 days of 10 hours.

U.S.A. (males) £15 15s. per month of 24 days of 8 hours.

Great Britain: £6 13s. per month of 24 days of 8 hours.

In spite of these figures the Committee found that the proposed wage cut was "justifiable", and turned down the demand of the Joint Strike Committee that "the wages of those workers whose average wage is less than Rs. 30 (45s.) shall be raised substantially." The discussion revealed the fact that female sweepers in the mills were receiving only 21s. a month, *i.e.* a daily rate of 9 $\frac{3}{4}$ d. for ten hours' work.

Family budget reports published by the Bombay Labour Office in 1926 showed that nearly 57 per cent. of the total expenditure of the workers is on food.

In other full-time industries average wages up to the time of the crisis were very much the same as in the cotton industry, but seasonal workers, miners, and plantation workers earn less. In the seasonal trades rates are round about 8d. a day for men and 6d. for women.

Wages in the mining industry vary a great deal; the Burma lead and tin mines pay the best wages and the Bihar and Orissa mica mines the worst; statistics for the latter for December 1929 show only 6d. a day for skilled labour underground and 4d. for women. In the Jharia coalfield, which pays rather higher wages than the other coalmines, the men's daily average in December 1929 varied from 1s. 3d. to 8d. a day, according to skill and type of work, and the women's from 9 $\frac{1}{2}$ d. (underground) to 7d. (surface).

But the onset of the world crisis soon brought the starvation wages of the Indian workers down to an even lower level. In *Capital*, January 7th, 1932, it is reported that miners' wages, in 1931, were cut by 33 per cent., the average wage being reduced from 9d. to 6d. a day. The

wages of the jute mill workers dropped to 2s. 5d. a week, and the wages of the cotton workers have also fallen. The wages in the gold mines of Mysore are so miserable that the miner is unable to spend more than two annas (about 2½d.) per day on his family, which is 20-30 per cent. below the minimum required for the maintenance of criminals in Indian prisons. The wages of rice mill workers in Calcutta have been cut from eight to four annas (about 5d.) for a twelve-hour day.

On January 1st, 1932, the Government reduced railwaymen's wages by 10 per cent., and began to enforce a 10 per cent. reduction in the salaries of all Government employees, including postal workers. In Bombay the short working week in the railway shops means, according to data provided by the trade unions, a 40 per cent. reduction in wages.

Conditions in the Mines

In 1931 the mines inspector's report recorded the employment in the mines of 8,548 children under twelve, and until the Mines Act of 1923 was passed there were no legal restrictions on employment in mines. The Act of 1923 excluded children under thirteen from underground work, and limited the weekly hours to 60 above ground and 54 below ground, without imposing any limit to the hours that might be worked on any one day. The inspector's report for 1926 showed the average daily number of workers employed in mines at 70,000. In coalmines 35,607 women and girls worked underground and in open workings, and 14,825 on the surface. In 1929 regulations were made excluding women from underground workings except in coalmines in Bengal, Bihar and Orissa, and the Central Provinces (where women now constitute 14 per cent. of the labour force), and government salt mines in the Punjab. In these mines

exclusion is to be gradual but women will not be entirely excluded until July, 1939.

In the coalmines the allotted task of the hewer and his woman mate is to hew and fill enough coal for three iron tubs, each holding 12 to 14 cwt., 8*d.* being the price paid for each full tub. Often miners are kept waiting many hours for tubs, and they may spend the whole day in the mine and only get one, or none at all. The ventilation is extremely poor, and as the workings are going steadily deeper temperatures are increasing and humidity is very high. Both men and women work barefoot and almost naked and their feet are often damaged by the coal. In the Raniganj coalfield, where a large percentage of migratory peasants from long distances are employed, these peasant miners bring their entire families to the mine, with cooking pots and bedding, and remain in the mine for several days, living as best they can. Their babies are either smuggled into the mine or left with older children near the entrance. Conditions in the rock salt mines of the Punjab, which are owned by the Government of India, are no better than in the mines owned by private companies. At Khewra the Whitley Commission complains that women are employed on heavy and unsuitable work and that, in spite of serious under-employment among the local miners, the Government has imported ticket-of-leave men to do loading work at rates of pay unacceptable to the miners. The Commission was struck by the poor health of the miners and their families, due to "defects in diet and a complete absence of sanitary arrangements", and pointed out that a special obligation lies on the Government of India to see that health standards and working conditions are improved.

The accident rate in mines is scandalously high; in 1926 there were 198 fatal accidents in which 227 lives were lost, 190 men and 37 women being killed, in

addition to 587 serious accidents involving 540 persons. Prior to the Workmen's Compensation Act, which came into force in July 1924, the industrial workers had no legal claim to compensation for accidents. Under this Act the maximum death payment is £168 for adults and £15 for those under 15 years of age. The efficacy of this Act is much diminished by the fact that the Indian worker is usually so ignorant and helpless that he does not know what his legal rights are or how to claim them, and is always too poor to engage a pleader to support his claim in court. The proceedings are carried on in English with the result that the miner and his witnesses do not know what is going on. Consequently in numerous cases the dependents of workers killed in factory or mine are driven on to the streets as beggars. In 1929, 20,208 workers in factories were injured, 240 fatally. The accident rate was 13 per 1,000 employed.

Housing Conditions

The housing conditions of both miners and factory workers are appalling. Coal miners are housed at the colliery owners' expense in low one-roomed hovels without doors, windows, or chimneys. Many of the older huts are in a state of chronic disrepair, the rain comes through the broken roofs, and in the wet season the floors are a quagmire. There is a common water tap in the compound, but usually no latrines and no lighting.

The conditions in the industrial centres are very much the same. The Whitley Report gives the following figures:

From the last census report it appears that 70 per cent. of the houses in Bombay city are one-roomed, and the Labour Office family budget investigation of 1921-22 showed that 97 per cent. of the working classes were accommodated in one-roomed tenements with as many as 6 to 9 persons living in one room. In Karachi, almost

one-third of the whole population is crowded at the rate of 6 to 9 persons in a room, whilst in Ahmedabad 73 per cent. of the working classes live in one-roomed tenements. Corresponding figures for other cities such as Cawnpore, Howrah, Calcutta and Madras are unobtainable, but our observations showed that nearly all the workers live in single rooms.

In only a few cases do the employers provide houses for their employees, so the majority of the workers are at the mercy of private landlords, who demand a large proportion of their earnings in rent. The value of land is high, so the houses are built back to back, with narrow winding lanes as their only approach. "Neglect of sanitation is often evidenced by heaps of rotting garbage and pools of sewage, whilst the absence of latrines enhances the general pollution of air and soil. Houses, many without plinths, windows and adequate ventilation, usually consist of a single small room, the only opening being a doorway often too low to enter without stooping. In order to secure some privacy, old kerosene tins and gunny bags are used to form screens, which further restrict the entrance of light and air. In dwellings such as these human beings are born, sleep and eat, live and die." (Whitley Report).

In Bombay and Ahmedabad, owing to lack of space, the workers are crowded into tenements three to four storeys high, with at least one family in each small room. Of these the Whitley Report says: "Not only are the sanitary arrangements totally inadequate, but cleansing and sanitation are also badly neglected . . . In the majority of cases these *chawls* are impossible of improvement and therefore fit only for demolition."

An enquiry into family budgets made by the Bombay Labour Office in 1926 showed that in Ahmedabad the average monthly expenditure on rent was nearly 5 rupees, or 11.7 of the family income. This high rental leads to

sub-letting which is common in both the Bombay and Ahmedabad tenements, increasing the over-crowding. A report in 1930 by the Housing Committee, set up after the destruction of tenements by the floods in 1927, stated that out of 23,706 tenements inspected 8,869 were unfit for human habitation.

In 1930-31 the Ahmedabad cotton industry became so prosperous as a result of the boycott of foreign cloth that four new mills were under erection to cope with the increased demand for Indian-made textiles, but in spite of this the housing conditions of the workers became worse. A report issued by the Textile Union in 1931 disclosed the fact that 16,000 tenements in Ahmedabad City were unfit for human habitation, being dilapidated, dark and airless, without surface plinth and without outlet for smoke. Ninety-five per cent. of the tenements were overcrowded, big families often occupying single rooms.

Attempts have been made by municipal authorities to improve the housing conditions in certain areas and some employers have started housing schemes, but only the fringe of the problem has been touched. Some proposals have fallen through as the result of failure to obtain the necessary land, other schemes have proved a failure owing to high rents, distance from place of work, and other causes.

Unemployment

In the early years of the present century the number of workers required in the factories, mines and railways of India was increasing more rapidly than the supply, but the economic depression changed all this, and unemployment has been on the increase since 1924. The Whitley Report published figures showing a continuous decrease in employment in the Bombay cotton mills from 144,547 in 1924 to 118,368 in 1929, and a similar decrease in the numbers employed by the Tata Iron and

Steel Works from 32,521 in 1927 to 28,660 in 1930. In Bombay and Calcutta there was already serious unemployment among Indian seamen, the Indian Seamen's Union estimating that in Bombay there was only sufficient employment for one-third of the seamen available. As a result of the world slump matters have become a great deal worse since 1929, and unemployment is now rampant in all the industrial areas. In 1932 Government railways discharged about 40,000 workers, and 120,000 railwaymen are now working on short time; in the jute industry 80,000 workers out of 340,000 have been thrown out of work, while the rest are forced to work short time. Such instances could be multiplied, and the Indian workers' delegate to the International Labour Conference at Geneva estimated the number of unemployed in India at forty millions. There is no provision made for the unemployed, and the discharged workers have either to return to their villages and live on their poverty-stricken relatives, or remain in the towns as beggars. As a result of this situation the number of beggars in the towns of India has increased to an appalling extent. The *Bombay Chronicle* wrote in July 1933:

The beggars have become reckless and quite indifferent to the police. The policemen will not interfere with them. At every train junction, numbers of beggars can be seen boarding every train, pestering the people with their solicitation and seriously interfering with the traffic.

Ladies are said to be terrorized and the Bombay Corporation is urged to get rid of "this disgrace". It has been suggested that the Government is going to subject them to compulsory physical training, but it is difficult to see how this could be done without feeding them. A recent visitor to Bombay said:

Bombay seems to possess more stray children living on

their wits, in the gutter, than any other city I have visited.

Health of the Workers and Peasants

The terrible effects of low wages, unemployment, bad housing and insanitary conditions on the health of the workers is shown clearly in the sickness and mortality statistics. The popular fallacy that an Indian worker can live on a handful of rice is contradicted by the fact that the average expectation of life in India is only twenty-three years, as compared with fifty-five years in England and Wales; in India it has declined from thirty years in 1881. The death rate in British India in 1930 was 26.8 per 1,000, as compared with 11.7 per 1,000 in England and Wales.

In 1918, the year of the influenza epidemic, deaths from fever totalled over 11,000,000, and the total death rate rose to 62.46 per thousand. The death rate in certain large cities in the same year indicates the effect of overcrowding: Agra, 128.95 per 1,000; Cawnpore, 99.91; Poona, 82.5. But the high mortality rate is by no means confined to the cities. The increasing misery of the peasantry is having its inevitable results: Dr. C. C. Bently, Director of Health for Bengal, stated in his report for 1927-1928:

1,500,000 people are dying every year in Bengal alone. On an average 750,000 children under 15 years of age die every year—about 15 per cent. of the total deaths. Twenty-five per cent. of this mortality is due to preventible diseases. The present peasantry of Bengal are in a very large proportion taking to a dietary on which even rats could not live for more than five weeks. Their vitality is now so undermined by inadequate diet they cannot stand the infection of foul diseases. Last year 120,000 people died of cholera; 350,000 of malaria; 350,000 from tuberculosis; 100,000 from enteric. On an average 55,000 new-born infants die every year of tetanus.

In 1930, the last year for which full statistics are available, cholera, plague, and smallpox accounted for over 434,000 deaths, malaria and other fevers for over three and a half million, and respiratory diseases for 400,000. As many as eight million cases of malaria are treated in the hospitals every year and the number of cases which do not come up for treatment is immense. The alarming condition of public health in the rural parts of India has been strikingly brought out by the report of an inquiry recently instituted by the Director of the Indian Medical Service, Sir John Megaw. It is estimated in this report that thirteen million Indians are suffering from venereal disease, and that 10 to 15 per cent. of the population have it or have had it at some time. There is said to be definite evidence that tuberculosis is "widely disseminated throughout India" and that it is "increasing steadily and rather rapidly"; in fact the figure of 2,000,000 sufferers from this disease is said to be "much too low". Night blindness (a disease due to deficiency of food) and blindness account for nearly six million people; while rickets, also a deficiency disease, affects over 2,000,000. With regard to malaria the report says:

From the figures it appears that the number of persons who suffer every year from malaria in India is not less than 50,000,000, and may easily exceed 100,000,000 in some years.

The report estimates that only 39 per cent. of the population of India is well nourished, 41 per cent. being poorly nourished, and 20 per cent. very badly nourished. Bengal is at the bottom of the scale, her figures being 22, 47 and 31 respectively. It is calculated that in nearly 40 per cent. of the villages the population is excessive in relation to the available food supply. The *Manchester Guardian* sums up the situation as follows:

The report draws the general conclusions that India has a poorly nourished population, with an average duration of life of less than half of what it might be; that periods of famine or scarcity of food occur in one village out of five as a normal rule; that in spite of the high death rate the population is increasing far more rapidly than the output of food and other necessities of life; and that malaria is present throughout the greater part of India. The outlook is undoubtedly gloomy and demands a serious and comprehensive effort.¹

The report gives infantile mortality rates of 232.6 per 1,000 for all India, and 303 per 1,000 in the United Provinces. The rate for maternal mortality for all India is 24.5 per 1,000, but for Bengal it reaches what the report calls the "almost incredibly high" rate of 50 per 1,000 (cf. rate in England and Wales, 1932, 4.06).

On this matter the Whitley Report says:

High infantile mortality is closely associated with ignorance and poverty, as the figures for the general population amounting to 200 to 250 per 1,000 births show only too clearly (cf. England and Wales, 1930, 51 per 1,000 births). The infantile mortality for Bombay City in 1929 was 298 per 1,000 births and recent reports on the health conditions of Madras and Rangoon give rates of 300 to 350 per 1,000 for certain parts of these cities.

If the workers' areas alone are considered the figures are even more appalling. In the one-room tenements of Bombay in 1926 the rate was 577 per 1,000 births, compared with 254 per 1,000 in tenements with two rooms, and 107 per 1,000 in hospitals. (Arno Pearse, *The Cotton Industry of India*, 1930).

Capitalists in India are beginning to pay some attention to the effect of health on the efficiency of the worker, and a Deficiency Diseases Enquiry Laboratory has been set up under Colonel McCarrison, who is quoted in the

¹ *Manchester Guardian*, 14th November, 1933.

Whitley Report as saying that "the output of work by the human machine is closely related to the quality of the food with which it is provided." But even this commercial consideration has had very little effect, and it is significant that in 1930 for the whole of British India, with a population of 241,000,000, there were only 4,771 hospitals, State and private, with accommodation for little over 53,000 patients.

In 1926 the All Indian Congress of Medical Research Workers expressed its anxiety at the wastage of labour power caused by disease. It estimated that the average number of deaths resulting every year from preventible disease is about 5 to 6 million, that the average number of days lost to labour by each person from preventible disease is not less than two or three weeks in each year, that the percentage loss of efficiency in each average person from preventible malnutrition and disease is not less than 20 per cent., and that the percentage of infants who reach a wage-earning age is about 50; whereas it is quite possible to raise this percentage to 80 or 90 (Government of India Annual Report, 1927-28). The Whitley Report attributes the "inefficiency of the Indian worker" to physical weakness and says further "this weakness arises from the hardships to which the worker, who starts with an indifferent physique, is subjected and especially his unsatisfactory diet and the conditions under which he is generally compelled to live."

Education

It has been recognized for some time in capitalist countries that it is impossible to get efficient industrial workers without at any rate a minimum of elementary education, and all countries which have reached a high stage of industrialization have introduced compulsory free education. In India compulsory education has been

discussed for some years and the legislatures have declared themselves in favour of the principle, but up to 1929-30 only 132 of the municipalities and 3,137 rural areas had put it into effect.

The Simon Report (Vol. II) revealed that out of the total amount raised by taxation in British India the Government spends 3s. 4d. per head on the army and less than 9d. per head on education. In the native state of Baroda expenditure per head on education is three times as much as in British India. In British India in 1928-29 the government expenditure on education, for a population of 240,000,000, was under £10,000,000, while in Great Britain it was over five times as great for a population of 40,000,000. The following table shows the very small proportion of the revenue spent on education and medical services as compared with that spent on the military and police:

Budget Expenditure 1930-31

| | £ million | % of total |
|----------------------------------|--------------|------------|
| Military and Marine Services ... | 43.71 | 25.29 |
| Education and Scientific ... | 11.09 | 6.42 |
| Medical and Public Health ... | 4.79 | 2.77 |
| Jails and Police ... | 12.48 | 7.22 |
| Total ... | <u>72.07</u> | |

The Government Report for 1930-31 states that 229 million out of the 247 million inhabitants of British India are illiterate, and a fairly accurate idea of the situation is given by the statement that, taking India as a whole, only one man in seven and one woman in fifty can read.

At least three of the Indian Native States have a better record for education than British India. The following table of literacy taken from the Simon Report attempts to give a balanced view by showing also the States with the lowest percentage:

| | | | Literates per 100 males of 5 and over | Literates per 100 females of 5 and over |
|------------------|-----|-----|---|---|
| Travancore State | ... | ... | 38.0 | 17.3 |
| Cochin State | ... | ... | 31.7 | 11.5 |
| Baroda State | ... | ... | 24.0 | 4.7 |
| <hr/> | | | | |
| British India | ... | ... | 14.4 | 2.0 |
| <hr/> | | | | |
| All India | ... | ... | 13.9 | 2.1 |
| Mysore State | ... | ... | 14.3 | 2.2 |
| Hyderabad State | ... | ... | 5.7 | 0.8 |
| Rajputana Agency | ... | ... | 6.8 | 0.5 |
| Kashmir State | ... | ... | 4.6 | 0.3 |

The figures for literacy are based on the 1921 Census Report (the 1931 figures not having yet been analysed), and are therefore not up to date, but the education figures do not hold out much hope of improvement. In the 500,000 villages of British India there are only 157,000 elementary schools, and in 1929-30 there were only 12 million pupils attending all kinds of educational institutions in British India. Compare this with the 22 million pupils attending similar institutions in the U.S.S.R. with a population of approximately 160 million.

School attendance does not necessarily produce literacy, for an analysis of the school attendance figures for 1922-26 showed that only 19 per cent. of the boys, and 10 per cent. of the girls, stayed at school for four years, and less than 40 per cent. stayed for more than one year.¹

Out of the 120 million female population of British India only slightly over 2 million are at present receiving education in any form, and this in spite of what the above-mentioned Report calls "the remarkable awakening among the women of India of a demand for intellectual enlightenment."

¹ *Simon Report*, Vol I.

It must be noted, also, that literacy does not imply a knowledge of English. Only 16 in every 1,000 men and 2 in 1,000 women can read or write the language in which all legal proceedings are conducted and all laws and ordinances published. A very frequent demand of factory workers is that notices and wage rates should be posted up in a language they can understand.

Slavery and Forced Labour

In British India forced labour may be exacted in any district to avert damage to irrigation works (under various Canals and Irrigation Acts). In certain areas of Bihar and Orissa and of the Bombay Presidency forced labour is exacted by the Government in connexion with the upkeep of public roads and buildings. In Bombay and Bengal the local civil authorities may impress carts, coolies, and supplies for the transport of troops, military officers, etc.

An attempt is being made in British India to discourage forced labour for private purposes, though unpaid labour is still exacted from their tenants by land-holders in the Bombay Presidency. Forced labour, and even actual slavery, is much more common in the Indian States, where the situation is described as follows: "According to the Census Report of 1921, there were 160,755 slaves in Rajputana and Central India alone, including 10,884 born domestic slaves in Bikaner and 48,100 in Jodhpur. They . . . are owned by Princes, Hindu and Moslem alike. They are bound to be lifelong servants of their masters and are not allowed to own property, except a few necessities. Their masters exercise the power of disposing of their wives and daughters and to a great extent control their marriages and divorces. If they run away to other states they are liable to be brought back and returned to their masters. . . .

"The systems of *Veth* and *Begar* (forced labour) prevail in almost all the Indian States and all classes of labourers and artisans are compelled to work for the princes and their officials for remuneration which in practice is nothing but their food. They are compelled to work at any time and for such time as the State wishes, and are also forced to travel long distances from their homes to distant villages or to the hills and jungles, when princes and their guests go hunting or officials are on tours."¹

In some districts a man who contracts a debt pledges his labour until the debt is repaid and thus becomes a "*hali*" or debt slave for life, for the debt, owing to the accumulation of interest, constantly increases. The *hali*'s children inherit the debt and therefore the slave status becomes perpetuated from generation to generation. These *halis* are treated as a commodity, and are bought or sold in liquidation of debt by their masters.

Police Powers and Prison Conditions

Apart from the compulsory labour which is more or less legalized, it is easy for foreigners in India to obtain native labour by means of police intimidation. A lady telling a story of a hunt in which several beaters were killed was asked if it would be difficult to obtain beaters for the next hunt. She replied: "They will get beaters all right; the police will see to that."² This story is one of many illustrations of the power to coerce and intimidate the ordinary population which the Indian police undoubtedly enjoy. This power is due to the following factors: (a) the comprehensiveness and severity of the

¹ *The Indian Year Book*, 1931.

² This story is told with other similar ones in *Police and Peasantry in India*, by R. A. Reynolds.

Indian Penal Code, which makes many of the most natural acts of primitive and semi-clothed races punishable offences under an alien standard of morality and decency; (b) the lack of supervision of the police stations, which makes it possible for the police to beat and torture their prisoners with impunity;¹ (c) the power given by sections 109 and 110 of the Criminal Procedure Code to imprison suspected persons in default of security for good behaviour. These sections give the police power to arrest anyone whom they consider to have a bad reputation, or to be "without ostensible means of subsistence", and the magistrates power to lock them up (for a maximum of one to three years) unless they can find persons of property and standing to stand security for them.

The weighting of the scales against the Indian is increased by the fact that magistrates and judges are naturally inclined to take a white man's word against that of an Indian, and a policeman's against that of an ordinary native. Also by the fact that the majority of Indian prisoners cannot understand anything that is going on and the interpreter, often one of the gaolers, is shifty, illiterate, and wholly untrustworthy. People who know India well declare that in no country in the world have the police such a bad name; they are corrupt, cruel, and avaricious. To understand even a small part of the harassing restrictions and injustices suffered by the Indian population it is necessary to read Lt.-Col. Osburn's revelations concerning "that frightful but well-meant engine of Draconian oppression, the Indian Penal Code."² His first-hand stories of the arrogance, bullying,

¹ "A police official will tell you that he has hardly a single Indian police sergeant who does not permit the torturing of native prisoners in his police station."—*Must England Lose India* (1930), by Lt.-Col. A. Osburn, D.S.O.

² *Must England Lose India?* (1930), by Lt.-Col. A. Osburn, D.S.O.

and even criminal brutality indulged in, without any possibility of punishment or even censure, by the ordinary Anglo-Indian official as well as by the police, will sound almost incredible to most English ears.

The Indian peasant or worker, once in prison, justly or unjustly, often without even knowing of what he is accused, has to endure the most intolerable conditions. He is shut up in a cell, without furniture or lighting, and made to work for nine hours a day on a diet which costs less than $1\frac{1}{2}d.$ a day, with the minimum of clothing, even in cold weather. He may be subjected to a flogging, with or without having been sentenced to it. During the year 1931, 6,189 official floggings were recorded, and in 1933 a Whipping Bill was passed by the Bombay Legislative Council, in spite of much opposition on the ground that it would be misused according to the whims of the police. The political prisoners who crowded out the gaols during the non-co-operation campaigns, unless they were public figures such as Gandhi and Nehru, were kept under the harshest conditions and many of them resorted to hunger strikes in a desperate effort to obtain their rights. Although the cellular gaols at Port Blair in the Andaman Islands had been closed as unfit as the result of an enquiry, they were reopened to admit 96 political deportees, the large majority of whom were students. The prisoners in this penal settlement went on hunger strike in June 1933, against the inhuman conditions imposed on them, and three of them were allowed by the Government to die of starvation. Only after this tragedy was an enquiry made and more reasonable conditions allowed. This may be contrasted with the treatment of Gandhi who, while in prison in 1932, was allotted two rooms and a verandah, was given 107 rupees a month, and was allowed to buy his own food. In addition he was released when he went on hunger strike.

The Native States

To obtain a clear picture of Indian life one has to set the destitution, disease, and illiteracy of the mass of the population beside the luxury and waste of the Indian princes and the landlord class as a whole. In the British provinces the native landlords are allowed to squeeze their tenants unmercifully, but there is in British India some possibility of invoking the law if they go too far. In the majority of the Indian States there are no such restrictions, and consequently the conditions there are even worse than in British India.

All the ruling princes or native chiefs in the States do not possess uniform powers; some have practically unrestricted rights to make their own laws, and have complete power of life and death over their subjects. Others have limited powers, and others again have very little power, the administration of their States being carried on by British political agents. The majority of these princes or chiefs are despotic rulers and, provided they keep within the scope of the powers allowed them by the paramount power, there is no appeal from their convictions or orders.

The Native State of Mysore has a Representative Assembly of 273 members and a Legislative Council of 50, and Baroda has a Legislative Council of 27 members of whom 10 are elected, but there are no representative assemblies in any of the other States (though some princes "go through the farce of summoning a few submissive individuals to annual Darbars"¹), and the people have no voice in the matter of legislation. Laws are dependent on the mere caprice of the ruling prince and can be repealed or amended at his will. He can commit any man to prison for an indefinite period, or

¹ *Indian Princes under British Protection* (1929), by P. L. Chudgar.

banish him, without reason, charge, or trial. He can confiscate anybody's property and withdraw cases pending in court. A subject cannot sue the prince or his official for breach of contract or infringement of his rights. In many States public meetings, the publication of newspapers, or the forming of associations are banned, but even where this is not the case none of these things can be done without previously obtaining the prince's sanction. If this rule is contravened the police can step in, and against the police there is no remedy.

The education of the young princes, segregated in the expensive princes' colleges provided for them by the British Government, produces arrogant, self-indulgent young men of unbridled appetites, who have been pampered and fawned on till they are quite incapable of ruling themselves, much less anyone else. To these semi-educated young animals is entrusted the well-being of thousands of their fellows, whom they have been taught since infancy to regard as inferiors to be exploited and browbeaten. The policy of the Government is not to interfere between the princes and their subjects unless they provoke a rising which their own troops are unable to suppress. Under these circumstances it is not surprising that many princes oppress their subjects intolerably, burdening them with excessive taxation, demanding forced labour from both men and women without payment, and wasting the revenues of the State in riotous living and reckless personal extravagance, while public works, education, and all other amenities are neglected. The vices of many of the princes are notorious, not only throughout India, but all over Europe. Gross misrule sometimes results in a prince's deposition, but even this is a further burden on his people, for he is allowed to retire with a princely allowance. The State of Indore, for instance, has to bear the maintenance of a deposed Prince. As an Indian writer puts it: "He is Tukoji Rao

of 'Mumtaz Begum' and 'Nancy Millar' fame, and his continued sojourn on this planet costs his starving people the sum of £50,000 a year."¹

The budget for the State of Bikaner (with a population of 660,000) for the year 1929 shows an expenditure of 3.6 per cent. of the total on works of public utility (including education) and 22.6 per cent. on the Maharajah's expenses, the building or extension of palaces, etc. The maintenance of the Maharajah and his family amounted to £170,000, while the expenditure on education was £15,000.¹ But this is moderation itself. In 1926 the Maharajah of Jamnagar spent on himself and his palaces 50 per cent. of the State revenue,¹ and the Maharajah of Alwar spent £66,000 on his motor cars and garages, but only £7,500 on education for a population of over 700,000.²

The unpleasant truth that the British authorities, although they have the power to terminate a prince's sovereignty at will, allow him to do what he likes to his unfortunate subjects, provided they do not actually revolt against him, is well illustrated by the case of the Maharajah of Patiala (the premier State in the Punjab), Chancellor of the Chamber of Princes since 1927, representative of the Princes at the Imperial War Conference and at the League of Nations, and leader of the Princes' delegation to the Round Table Conference. During the session of the Indian States' People's Conference held in Bombay in May, 1929, copies of a memorial submitted to the Viceroy by ten citizens of Patiala (who had all undertaken to prove their allegations) were distributed. This memorial accused the Maharajah of some of the most disgusting and brutal crimes which had even been committed. On finding that the Government of India had not taken any steps to deal with the Memorial, the

¹ *Indian Princes under British Protection* (1929), by P. L. Chudgar.

² See *Literary Digest*, December 3rd, 1927.

Working Committee of the Conference appointed a committee to enquire into the allegations. This Committee published in 1930 a Report entitled "Indictment of Patiala" in which, after careful investigation, the major allegations against the Maharajah are set forth in full detail with names of victims, witnesses, etc., and the British Government is called upon to enquire into the whole matter.

The state of affairs revealed in Patiala by this Report is almost incredible. The Maharajah is accused of murder, rape, and torture; it is alleged that the people are forced to pay any taxation, in money and in kind, ordered by the Maharajah or any of his hirelings; that the army collects its requirements from the villagers without payment; that forced labour is rampant, any citizen refusing it being beaten unmercifully by the police; that war loan, though repaid to the State, has not been returned to the people who contributed it; that education and public works are neglected and an ever greater proportion of the revenue is squandered by the Maharajah; and that the people have no redress as no freedom of speech is allowed and *not a single newspaper* may be published in the State. The Committee was severely handicapped in its investigations by the fact that witnesses coming from Patiala state were running a very grave risk both to person and property, but in spite of this it found that a strong *prima facie* case had been made out against the Maharajah, and reported that

¹ "The Patiala Enquiry Committee" which consisted of the following members: Mr. C. Y. Chintamani, Member of the United Provinces Legislative Council, President of the Indian States' People's Conference; Mr. Amritlal V. Thakker, Ex-President of the Kathiawar States' People's Conference; Mr. Laxmidas Ravjee Tairsee, Member of the Bombay Corporation; Mr. Amritlal D. Sheth, Ex-member of the Bombay Legislative Council, President of the Rajputana States' People's Conference; Prof. G. R. Abhyankar, Professor of Constitutional Law at Poona Law College, General Secretary of the Indian States' People's Conference.

"we have no hesitation in stating that the allegations made in the Memorial are not made lightly or irresponsibly, but have the backing of very solid and in many cases startling and shocking facts." To anyone who has read the gruesome details of the Indictment it was a matter for amazement that the Maharajah was still allowed to remain at large after this report by a responsible body of Indian citizens. Very few references to the "Indictment" appeared in the ordinary British press, and it would have been difficult to discover what steps were taken by the Indian Government to deal with the matter, had not a pamphlet (unsigned), quoting the official communiqués, appeared in England under the title "The Grievance of an Indian Prince." From this it appears that the Maharajah himself wrote to the Viceroy on May 5th, complaining of calumny and asking for an enquiry, which enquiry, he suggested, should be entrusted to the Agent to the Governor-General, Punjab States, Mr. J. A. O. Fitzpatrick.

The account continues:

The Viceroy was "accordingly pleased" to entrust the enquiry to Mr. Fitzpatrick, who was asked to conduct it *in camera*. Fearing that the enquiry thus to be conducted was to whitewash the Maharajah, the authors of the Report known as "Indictment of Patiala" refused to have anything to do with it. Their objections were based on the following grounds. What they wanted, they said, was a proper judicial investigation, and not an enquiry by an executive officer. They objected to Mr. Fitzpatrick personally, as being unfitted for the task, since he was already associated with the Maharajah as the Political Agent, and since he had already formed his opinion on some of the charges in his usual official capacity. Again, they did not want the enquiry to be held behind closed doors in the Maharajah's palace. Lastly, they said there was no undertaking to release witnesses who were in the

the jails of Patiala, in order that they might give their evidence without fear of consequences.¹

The enquiry duly took place behind closed doors and the Government of India published a communiqué in which it was stated that the charges against the Maharajah were not substantiated and were "shown to have been the outcome of a deliberate conspiracy between certain individuals and public bodies with the object of vilifying His Highness and disgracing him in the eyes of his subjects and of the Government of India." But no action was taken against the conspirators! And the offer of one of the authors of the Indictment, Mr. Amritlal Sheth, to produce "original documents . . . capable of conclusively proving not only those charges that we have laid at the door of Patiala but a number of other serious things", was ignored by the Viceroy.

In the meantime the Maharajah, boarding the British steamer from a launch in midstream to evade the huge hostile demonstration which was awaiting him,² led the Princes' delegation at the Round Table Conference and was entertained by Ramsay Macdonald and other politicians, while at least one copy of the Indictment of Patiala, with its tale of murder, rape and torture, was circulating in England. The indulgence shown to this man, who is denounced in such terrible terms by his own subjects, is easily explained. The *Indian Year Book* (1933) gives much space to the details of the Maharajah's war services, the number of recruits, the money and war material he provided for the British Indian Army. He is a willing and useful puppet of British Imperialism, his services were needed to shepherd the princes in the direction required by his masters at

¹ "The Grievance of an Indian Prince: An Appeal to the British Nation."

² See *Times of India*, August 25th, 1930.

the Round Table Conference—why then scruple to use a little whitewash?

This case has been dealt with in detail because it throws a lurid light on the British pretence that we are in India for the good of the Indians—to protect them from the tyranny and chaos which would ensue if British “good government” were withdrawn. The recent history of the native states shows clearly that the despotic rule of such notorious characters as the ruling princes of Patiala, Alwar, Kashmir, etc., would be ended to-morrow by the spontaneous revolt of their subjects were it not for the intervention of British troops.

This, then, is the “White Man’s Burden” as interpreted in India. To bleed the country of an immense annual tribute; to protect with British troops the millions of pounds invested in it; to hold down peasants and workers in the most grinding poverty, suppressing with gun and bayonet any attempt at revolt; to bolster up on their tottering thrones men of the most evil reputation—such are the privileges of imperialism.

CHAPTER IV
THE TRADE UNIONS AND THE RISING TIDE
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THE industrial development of certain areas of India before the war was not accompanied by much trade union activity. The backwardness of the Indian workers and their overwhelming poverty made organization extremely difficult, with the result that, up to 1918, it extended only to the better-paid railway employees and some classes of Government servants. The change which came at the end of the war is described as follows in the Whitley Report :

Prior to the winter of 1918-19 a strike was a rare occurrence in Indian industry. Strikes took place occasionally on the railways and in other branches of industry; but to the majority of industrial workers the use of the strike was probably unknown. Lacking leadership and organization, and deeply imbued with a passive outlook on life, the vast majority of industrial workers regarded the return to the village as the only alternative to the endurance of hard conditions in industry. The end of the war saw an immediate change. There were some important strikes in the cold weather of 1918-19; they were more numerous in the following winter, and in the winter of 1920-21 industrial strikes became almost general in organized industry. The main cause was the realization of the potentialities of the strike in the existing situation, and this was assisted by the emergence of the trade union organizers, by the education which the war had given to the masses, and by a scarcity of labour arising from the expansion of industry and aggravated by the great epidemics of influenza.

The war brought a great awakening of the masses all

over the world and the revolutionary wave which followed upon the Russian Revolution spread over India as rapidly as over the rest of the world, sweeping the Indian workers and peasants out of their apathy and transforming the movement for national liberation. This revolutionary wave carried the Nationalist Movement on to an entirely new plane; from a small bourgeois movement dictated entirely by the interests of Indian capitalists and landlords it became a mass movement, through which millions of peasants and workers struggled to express the demands of their class by means of huge demonstrations, *hartals*¹ and strikes, though it still remained under the leadership of middle-class representatives like Gandhi, who were concerned to utilize it in the interests of Indian capitalism.

The awakening of labour consciousness caused the industrial workers to realize that, at a time when the leading industries were yielding unprecedented profits, the workers themselves, owing to the heavy lag of wages behind prices, were even worse off than they had been before. They began to realize that only solidarity and militant action could help them, and the result was that a wave of strikes broke out and a number of trade unions were organized. In 1919 the call for a national strike against the Rowlatt Act (see Chapter v for details) met with a whole-hearted response from the workers. Thousands of textile workers, railway workers, dockers, etc., went on strike and were only subdued by British machine-guns and bombing planes. Throughout the period of 1920-22 there were strikes throughout the industrial areas, and strike committees, out of which trade unions developed, were set up to formulate the economic demands of the workers.

¹ A *hartal* in any town or district means a strike of all the workers, the closing of shops, bazaars, exchanges, and the cessation of all business.

Unfortunately, owing to the backwardness of the workers, the organization of trade unions presented an excellent opportunity to various types of interested persons—mainly of middle-class origin—to step in and gain leading positions in the working-class movement. Persons of a vaguely philanthropic or humanitarian turn of mind were attracted, as well as others who were prepared to exploit the movement and use it as a convenient stepping-stone to the Councils, Royal Commissions, etc.

The unions developed under the guidance of such-reformist agents of the bourgeoisie as B. G. Wadia and N. M. Joshi, who was the Government nominee to the Labour seat in the Legislative Assembly under the reforms of 1920. These leaders did their utmost to keep them in safe, non-militant channels. There was also an attempt, successful for a time, on the part of the bourgeois National Congress to win away the revolutionary elements of the trade unions and keep them occupied in the mock struggle of Congress against British imperialism, so that they might not have energy left for the class struggle, which was so much more dangerous for the Indian bourgeoisie.

When the first session of the All-India Trades Union Congress was held in Bombay in 1920 there were already 60 Unions affiliated with 42 others supporting, but the leadership was entirely non-militant. In spite of this there were in 1921 400 strikes, affecting half a million workers, and in 1922 280, which included a strike on the East Indian Railway, followed by another on a much larger scale which spread throughout the United Provinces, Bengal, Bihar and Orissa, and the Punjab, involving over 21,000 men. Later a strike broke out in the Tata Iron and Steel Works at Jamshedpur which involved 23,000 men. The early strikes were directed towards securing a shorter working day and were mostly successful. In 1922 a 60-hour week was secured, through

the Factories Act, for a small proportion of factory workers. Owing to the weakness of the leadership the strikes in the latter part of 1922 were unsuccessful, and as prices were already falling the conditions of the workers slightly improved and the counsels of the bourgeois union leaders in favour of conciliation with the employers began to prevail.

But these reformist tactics could not hold their own indefinitely in the face of the rising militancy of the workers, ground down by wage-cuts, rationalization, and speeding-up on the one hand and the ever-increasing toll exacted by money-lenders and landlords on the other. The textile industry, in which immense profits had been piled up while the workers had remained near the starvation level, was naturally the fiercest battleground of the conflicting class interests and proved the testing ground of the reformist trade union leadership. In the height of the post-War boom, when mill profits had soared to several hundred per cent., an annual bonus, equivalent to a month's wages, had been granted to the workers. In 1924 the mill owners refused to pay this bonus, with the result that 150,000 workers came out on strike. The trade union leaders, who, up to this date, were drawn from the ranks of the bourgeoisie, discouraged the strike and did nothing to assist the strikers. The workers, with no funds to maintain them (even their wages for the past month were illegally withheld) and no help from charitable organizations (all of which were controlled by the Mill-Owners' Association) stuck to their demand for nearly three months. Many died of starvation in the streets of Bombay; others perished on their way back to their villages; Government troops were brought out against them, shooting some, wounding and arresting others. The All-India Trades Union Congress, scheduled to hold its annual Congress on the very day of the shootings, took no notice whatever of the greatest

industrial struggle which had ever been waged in India. In Great Britain an appeal for financial help for the Indian strikers was issued by the Workers' Welfare League of India, and help was sent for the first time by British workers to Indian strikers. It must not be forgotten that at this time a Labour Government was in control in England, and that it allowed, without one protest, the cutting down of the wages of the Indian workers, already forced against their will to undercut the workers of Lancashire. The result was the temporary defeat of the Indian workers, but such was their spirit that when the millowners, in September 1925, tried to cut their wages by a further 11.5 per cent., they came out again *en masse* and stayed out until December 1st when the employers gave way. This time help was forthcoming from the European trade union movement, led by the All-Russian Textile Union. In England the Communist Party took the lead in the campaign for support and succeeded in securing the opening of a lock-out fund by the General Council of the Trades Union Congress. Even the Indian trade union leaders, who at first sabotaged the strike, were shamed into forming a Committee of assistance.

By 1925 the Indian trade union movement had grown considerably; a directory compiled by the assistant secretary of the T.U.C. showed that there were eight federations and 167 trade and labour unions, and the officials of the T.U.C. claimed that it represented over 100,000 organized workers. It was therefore thought advisable by the Government to regularize and control the unions and with this end in view an Indian Trade Union Act was introduced in 1925 and finally put into force in 1927. The object of the Act was to put trade unionism on "sound" lines; it was explained in the Government Annual Report¹ that "There have been hitherto far too

¹ India in 1926-1927.

few organizers of the right type, and many so-called Trade Unions have been formed in the past by political agitators, who have instigated strikes in pursuance of purely political ends, often with a callous disregard of the subsequent sufferings and losses of their ignorant and hapless dupes". Under the Act registered trade unions were required to confine their expenditure to definite trade union objects, though a special fund could be formed from optional contributions to be utilized for promotion of the civil and political interests of the members. They must submit their accounts to a regular audit, and at least half the members of their executives must be actual workers. They and their members would receive, on the other hand, a substantial measure of protection from civil and criminal liability. Up to the end of 1929, 87 unions were registered with 183,000 members¹, but these were only a minority of the existing unions.

It is difficult to get complete figures of trade unions in India as many of the militant unions arise out of strike committees and lack organization, with the result that their membership drops when the strike is over. In September 1930, the Bombay Labour Office stated that in Bombay there were 93 unions, claiming 120,000 members, and for the rest of India it was estimated that the numbers were probably about equal to those of Bombay.

By the beginning of 1928 the industrial depression was beginning to affect Indian industrialists and a policy of wage reductions and speeding-up began to be applied in the factories and on the railways over widespread areas. This resulted in another great wave of strikes in 1928-1929. There were strikes in the Tata Iron and Steel Works at Jamshedpur, on the East Indian Railway, on the South Indian Railway, in the jute mills of Bengal, among the Calcutta scavengers and other municipal workers.

¹ Figures from the Whitley Report, 1931.

Great as these strikes were, however, they were almost overshadowed by the terrific struggle of the Bombay cotton workers, which started in April 1928, and lasted until October, involving 150,000 workers, and the loss of over 22 million working days. The strike was against speeding-up (more looms per weaver and more spindles per spinner), an increase of hours and a cut of $7\frac{1}{2}$ per cent. on wages, which were already lower per hour than those of weavers in any European country. At the beginning of the strike the cotton workers were represented by two widely differing organizations: the *Girni Kamgar* (Red Flag) Union, and the Bombay Textile Labour Union, a reformist union of about 6,000 members run by middle-class leaders who tried to persuade the strikers to give way. In spite of the brutal repression of the employers, backed by police and troops, 150,000 operatives stood solidly together and built up their own militant organization, the Girni Kamgar Union, which by the end of the year was officially admitted to have 65,000 members (*Bombay Labour Gazette*, January 1929). Every mill in Bombay City closed down, and even Sholapur (283 miles from Bombay) was affected, for the employees of the Sholapur Spinning and Weaving Mill struck work against worsened conditions.

Other militant organizations grew up out of the strike movement, which became primarily a struggle against victimization for ordinary trade union activity. In the Calcutta jute mills, where a series of strikes took place, one of which lasted six months, the demands were for a wage of 11s. a week and trade union recognition. The demands of the East India Railwaymen were for 6s. a week, with living quarters and trade union recognition. The strike on the South Indian Railway was suppressed with the greatest brutality, the whole Executive of the railwaymen's union was arrested and, after being kept in prison for nearly a year, fourteen of its members were

sentenced to 10 years' rigorous imprisonment. In about one-third of the strikes the workers succeeded in obtaining concessions.

The Government of India tried to break the spirit of the workers by every possible method of repression. Police and troops were used against the strikers, shootings, floggings and *lathi*¹ charges were common occurrences, and whole trainloads of blacklegs were imported into the strike areas. When these tactics proved ineffective the Government started a dual policy of pretended conciliation together with arrests of leaders and repressive legislation. The announcement, in January 1929, of a Royal Commission, under the chairmanship of Mr. Whitley, to enquire into India's labour problems, was part of the pseudo-conciliatory side of this policy. The textile strike was brought to an end in October 1928, by the intervention of the Government, and the workers returned to work on condition that the speeding-up and reduction in wages would not be enforced, pending the report of a committee of enquiry which was set up under the chairmanship of Sir Henry Fawcett.

This committee was due to report at the end of March 1929. On March 20th, three days before the committee made known its findings, all the most prominent members of the trade union and working-class movement were arrested and sent to Meerut Gaol. In Bombay the arrests included practically every member of the Executive of the Girni Kamgar Union, as well as other well-known trade union leaders who had helped the textile strikers. The leaders of the G.I.P. railwaymen, of the Calcutta jute-workers and scavengers, and of the Workers' and Peasants' Parties were amongst those arrested.

The prisoners were accused of conspiracy against the

¹ A *lathi* is a long bamboo staff carried by the police and used for breaking up demonstrations.

King, and the trial dragged on for nearly four years, becoming famous under the title of the Meerut Conspiracy Case. It will be dealt with in detail at the end of this chapter, but it is necessary to point out that the Government object, which was to cripple the militant trade unions and hamper the revolutionary movement by removing their best and most trusted leaders from the scene of action for an indefinite period was achieved.

In spite of this careful preparation for the issue of the Fawcett Report, which declared against the workers and in favour of the wage cut, the 10 hour day, and the more looms and spindles system, the workers were not intimidated by the loss of their leaders and refused to accept the worsened conditions offered by the Mill-owners' Association. A new strike broke out, and from April till September 1929, there were approximately 127,000 textile workers on strike in Bombay, and the total number of working days lost by cotton strikers during the year was over 8 million.

The militant leaders of the Bengal jute workers had also been arrested and sent to Meerut, but the jute workers, like the cotton workers, refused to be intimidated, and an attempt, in July 1929, to increase working hours from 55 to 60 hours a week resulted in a strike involving 272,000 workers and a loss of nearly 4 million working days. The strike was settled at the end of eleven weeks by direct negotiation between the employers and the men and resulted in a victory for the strikers, the majority of whose demands were conceded. Another important strike, which started in December 1928, and lasted until the end of February 1929, broke out among the workers of the three big oil-distributing concerns in Bombay. This strike, which was unsuccessful, was alleged to be one of the causes of the so-called communal rioting which broke out in February and resulted in 116 deaths and 7,000 casualties. Moslem workers belonging

to immigrant Pathan tribes were brought in as strike-breakers against the Hindu oil workers. This fomenting of communal strife by importing blacklegs from another community is a favourite method of the Government for dividing the workers, and was used again in the Bombay dock strike of 1932. It is still resorted to on every possible occasion, and stories which appear in the Press about racial strife or communal feuds should always be enquired into carefully in order to discover their economic background. Two other great strikes, the Golmuri Tinsplate Workers' Strike, which lasted from April till November 1929, and the Great Indian Peninsular Railway Strike, which broke out in the spring of 1930, were also unsuccessful, but they were significant in showing the growth in solidarity and class consciousness of the workers.

The extent of the increase of militancy of the workers in the years 1928 to 1929 can be seen from the following statistics of industrial disputes:¹

| Year | No. of Strikes. | No. of Workers involved | Days Lost Million |
|------------|-----------------|-------------------------|-------------------|
| 1927 | 129 | 131,655 | 2.0 |
| 1928 | 203 | 506,851 | 31.6 |
| 1929 | 141 | 531,059 | 12.2 |
| 1930 | 148 | 196,301 | 2.3 |

Government efforts to stem the tide of revolt were to be seen in the passing of the Public Safety Ordinance and the Trade Disputes Act. The Public Safety Bill, designed according to the official Government Report² "to curb Communist activities in India" was first introduced into the Legislative Assembly in September 1928, and was rejected after four days' discussion by the President's casting vote. When it came up again on

¹ *Government Annual Reports, 1929-30, 1930-31.*

² *India in 1929-30.*

April 2nd, 1929, the motion for its consideration was ruled out of order by the President of the Assembly. His reason for this ruling was that he had found "that the fundamental basis of the Public Safety Bill is virtually identical with that of the case against the thirty-one accused" (in the Meerut case) and that the discussion on the Bill would necessarily prejudice the Meerut case.

The Government was determined, however, not to be balked of any possible repressive powers and the Viceroy immediately issued the Public Safety Ordinance, which gave the Government the powers proposed in the Bill. The official reason given for the introduction of the Public Safety Bill was "the growth of Communist propaganda and influence, especially among the industrial classes of certain large towns". It was described as being "directed against persons not being Indian British subjects or subjects of an Indian State, who might seek to overthrow the system of Government established in British India, by certain destructive methods, which may be summed up as the methods of Communism. The remedy proposed was deportation by order of the Governor-General in Council, who was to be given power to remove from India British and foreign Communist agents".¹ With the passing of the Trades Disputes Act at the same time (April 1929) it was hoped still further to curb the industrial movement. The Trades Disputes Act made sympathetic strikes illegal, also those "designed to coerce Government" and penalized lightning strikes in public utility services. It represented a direct attack on the freedom of the workers to fight either for improvements within the present system or for a change of system.

The colonial policy of the Labour Government, which was in office from May 1929 to August 1931, was in no way different from that of its predecessor. Mr. Wedgwood

¹ Government of India Report, *India in 1928-29*.

Benn, as Secretary of State for India, consistently refused to give bail to the Meerut prisoners, did nothing to mitigate the régime of police and military terrorism against strikers or the severity of anti-labour legislation. During this period additional measures in restriction of the right of free speech and assembly were introduced; in Bombay and Calcutta meetings of strikers were declared unlawful, and many trade union officials were sentenced to rigorous imprisonment for being members of an "unlawful assembly". The refusal of the authorities to give reasonable conditions to political prisoners, or even to put into force the recommendations of the Jails Enquiry Committee, which had revealed a scandalous state of affairs, led to the death in September 1929, after sixty-one days' hunger strike, of Jatindranath Das, one of the Lahore conspiracy prisoners. This was followed by a mass demonstration of 500,000 in Calcutta against the British Government, and by a Government defeat in the Legislative Assembly at Simla. The Hunger Strike Bill, which had been introduced to legalize the trial of prisoners in their absence, had to be dropped, and the Government was forced to promise to revise prison procedure.

The report of the Riots Inquiry Committee, set up to investigate the communal riots of February 1929 (which arose out of the importation of Moslems to blackleg in the Hindu oil strikes), recommended that "the Government should take drastic action against the activities of the Communists in Bombay" and suggested the amendment of the Trade Union Act "so as to exclude Communists from management in registered trade unions". The Court of Inquiry, appointed under the Trades Union Act to enquire into the causes of the textile strike, attacked the Girni Kamgar Union for its "aggressive and mischievous propaganda" and its "revolutionary tendency" and spent most of its

energy in enquiring into the organization and policy of this union, and in endeavouring to prove that it was not a "genuine" trade union. The report laid the whole blame for the general strike on the G.K.U. and at the same time made a separate and confidential report to the Government.

In summing up the effects of the whole strike movement of 1928-29 there are many factors to be taken into consideration. The cotton workers were driven back to work with reduced wages—a cut of $7\frac{1}{2}$ per cent. was imposed and worsened conditions—in spite of the fact that the workers showed the most magnificent spirit, remaining solid for many months in the face of the most brutal and comprehensive repressive measures which had ever been used. All their leaders were arrested as soon as they showed a spark of militancy; strikers were shot down by troops and armed police; flogged with *lathis*, driven from place to place; meetings were prohibited under the severest penalties; picketing prevented under the Intimidation Act; Pathans and other primitive tribesmen were imported by the Government as blacklegs. The strikers had hardly any funds and, to avoid starvation, thousands of them were obliged to return to their villages; and the strikes were sabotaged alike by reformist trade unions and Nationalist leaders. The 1929 cotton strike might have been successful had it been extended to the mills at Ahmedabad and Sholapur, but the lack of revolutionary leadership and the fact that the textile union at Ahmedabad was in the hands of the Nationalist leader, Gandhi, who was hand in glove with the mill owners, made this impossible.

But although the strike movement was defeated, and the defeat was followed by splits in the Girni Kamgar and other militant Unions, many important lessons had been learned and the struggle from this time onwards was carried on to a higher plane. In the day-to-day

struggle for economic aims the workers learned to distinguish their enemies and to unmask those who were masquerading as their friends merely in order to exploit them. The connexion between the industrial workers and the villages was still so strong that the class-war in industry spread throughout the countryside, and the gathering class-consciousness of the masses transformed the Nationalist movement and bade fair to sweep the leadership out of the hands of Gandhi and the bourgeoisie. From this time on it is impossible to separate the closely interwoven strands of the industrial struggle and the political movement; the leaders of the militant trade unions, and the "conspirators" in Meerut Gaol, are also the leaders of the struggle to overthrow the despotic rule of a foreign power. The victory of the militants in the Nagpur Trade Union Congress of December 1929 signalized the defeat of the old reformist policy of keeping the Unions out of politics, and the Congress came out with an active militant political policy. In the next chapter, therefore, it is proposed to deal with the Nationalist movement, and with the workers' and peasants' struggle from December 1929 onwards. Before doing so, however, we propose to deal in more detail with the Meerut Conspiracy Case, which was going on throughout the whole of the period of which we have just been writing. This case could not be fitted into its chronological place in the chapter as its story is too complicated to be understood unless dealt with in an integral fashion.

THE MEERUT CONSPIRACY CASE

The Meerut Case is of very great importance, firstly, because it shows the implacable hostility of the British and the Indian Governments (including the British Labour Government of 1929) to trade union activity in India and, secondly, because it makes clear the deter-

mination of the imperial power to use every means in its power, however brutal, to prevent the rise of Communism.

In March 1929 all the chief leaders of the trade union and working-class movements in the big cities of India were arrested. The prisoners included K. N. Joglekar, the secretary of the G.I.P. Railwaymen's Union; S. V. Ghate, treasurer and E.C. member of the Girni Kamgar Union; Muzaffar Ahmed, executive committee member of the Bengal Jute Workers' Association; D. R. Thengdi, ex-President of the A.I.T.U.C.; all the members of the Executive of the All-India Workers' and Peasants' Party; and members of the All-India Congress Committee. Among those arrested were two Englishmen, P. Spratt and B. F. Bradley (a London member of the A.E.U.), who had for some time been helping the Indian workers in the organization of trade unions. These two were both members of the Executive Committee of the All-India Trades Union Congress; P. Spratt had taken an active part in the Lilloah railway strike and in the Bengal jute-workers strike; B. F. Bradley was a member of the Executive of the Great Indian Peninsula Railwaymen's Union and of the Girni Kamgar Union, and treasurer of the Joint Strike Committee during the Bombay textile strike. Both these men were British Communists. Later, warrants were issued for the arrest of two more, one of the two being an English journalist, Lester Hutchinson, who was editor of a workers' paper called the *New Spark*, and was arrested immediately after being elected vice-president of the Girni Kamgar Union.

The thirty-two prisoners were charged, under section 121A of the Indian Penal Code, with conspiracy to deprive the King of the Sovereignty of British India, or to overcome by means of criminal force the Government of India.

The arrests were accompanied by wholesale raids and house searches carried out by the aid of the police, troops, and machine guns, and the accused were rushed under armed guard to Meerut, a small town in the United Provinces, nearly 1,000 miles from both Bombay and Calcutta. The alleged reason for the choice of this out-of-the-way place for the trial was that a Conference of the Workers' and Peasants' Party was held here in 1928, but the real reason was that, had they been tried in Bombay or Calcutta (from which places the majority of the prisoners came), they would have been entitled to a trial before a High Court Judge and Jury, whereas at Meerut the trial took place before a District Judge (an ordinary Civil Servant) and five assessors. All applications for transference to a High Court were refused, the final application, made on January 24th, 1930, being rejected by the Chief Justice who said "a jury might not take a judicial view." All applications for the prisoners to be let out on bail were refused until May 1931, when a few of the non-Communist prisoners were given bail on special conditions.

The object of the prosecution appeared to be to keep the accused in prison as long as possible before sentencing them, for the majority of the accused had been in prison nearly four years before sentence was pronounced. In his opening speech at the preliminary examination, which did not begin until June 12th, the counsel for the prosecution delivered a violent political attack on the Russian Revolution, the Soviet Government, the Communist International, and the whole theory of Marxism and Leninism. The *Communist Manifesto* of 1848 was extensively used against the prisoners and it was only necessary for the prisoner to have in his possession a copy of Marx's *Capital* for the prosecution to say that his activities were directed, not primarily to securing better conditions for the Indian workers, but towards

securing an immediate and violent political revolution. When it came to producing evidence against the accused, apart from all this propaganda, the prosecution had to fall back on "the incitement of antagonism between capital and labour" and to produce 700 police reports of speeches made in the Bombay textile strike. It was made quite clear by the prosecutor that the trade union activities of the accused constituted their chief crimes. He incidentally testified to the mass following behind them as follows :

They captured all public utility transport companies. They even boasted of having captured the munition factory at Itchaky and the arsenal at Kirkee. They succeeded in capturing the E.I. Railway Union, the G.I.P. Railway Union, the B.B. and C.I. Railway Union and the Northern Bengal Railway Union. They had complete control over the textile industry in Bombay and most of their members were connected with the Girni Kamgar Union, now known as the Red Flag Union, the G.I.P. Railway Union, etc.

In Bengal they captured the Bengal Jute Mill Workers' Union at Titagarh and other places. They also captured the Calcutta Scavengers' Union, Kessoram and Dakeswari Cotton Mill Unions, E.I. Railway Union at Lilloah, Howrah Scavengers' Union, Calcutta Tramway Workers' Unions, Jute Workers' Unions at Chengall and Bauria, and other Labour organizations.

In his prosecution of one of the prisoners, P. Mittra, secretary of the Bengal Jute Workers' Union, the crown counsel declared "Mittra's career in the conspiracy began when he participated in the Calcutta Scavengers' strike." Throughout the trial not one of the accused was charged with committing any "overt act" violent or otherwise. One of the judges in the High Court, examining an application from the prisoners, pointed out that the counsel for the prosecution had himself

conceded that the accused persons had not been charged with having done any illegal act in pursuance of the alleged conspiracy. On another occasion the prosecution claimed that the mere fact that some of the prisoners were members of the Communist Party and the Workers' and Peasants' Party proved them to be guilty, in spite of the fact that neither of these parties is illegal under the Indian Penal Code. The Home Member of the Government of India admitted in the Legislative Assembly in March 1929 that none of the prisoners' actions in themselves were contrary to law. Further both the Magistrate and the Sessions Judge stated that it was no crime to hold Communist views. The Judge also conceded that if the activities of the prisoners in their trade unions were "genuine" the prosecution must fail; on the other hand he refused to admit evidence from the accused to show that their activities and the strikes they organized were justified by the appalling conditions and wages of the workers, on the ground that such evidence would be irrelevant. A barrister who had carefully considered the judgment and all the details of the case summed up the situation as follows:

The truth is that the whole structure of this colossal trial was a sham, an attempt to dress the counter-revolution in wig and gown. Strikes are legal in theory so long as they are ineffectual in practice; a man's opinions are no crime so long as they conform with those of his rulers. Let a band of devoted men set out to organize the toiling masses of India against the oppression of their foreign rulers and their blood-sucking masters—what is worse, let them succeed—then they have committed a real crime against the capitalist state. They have "conspired" with their fellow workers all over the world to wring some measure of justice out of a system that exists only to exploit them.¹

¹ *Meerut Conspiracy Case*, by a Barrister-at-Law, published by Meerut Prisoners' Release Committee.

The trial was started under a Conservative Government, but when the Labour Government came into office in May 1929 with Mr. Wedgwood Benn as Secretary of State for India it soon became clear that they undertook responsibility for it and would do nothing to secure bail or trial by jury—nor did they even take any effective steps to expedite the trial. When the question was raised at the Annual Conference of the Labour Party at Brighton in 1929 Dr. Drummond Shiels, speaking on behalf of Mr. Wedgwood Benn said :

“ All the Meerut prisoners, with one exception, were arrested in March last, before the Labour Government came into office, although we accept full responsibility for their present position. The main charge made against us this afternoon, and also in various publications, is that these Meerut prisoners are there because they are Labour Leaders or Trade Union Leaders. That is not the case! They are charged, not with being agitators, nor even with being Communists, but with engaging in a conspiracy to change the Government of India by physical and armed force, and with being financed by bodies outside of India for that purpose. . . . I must say, however, on the general question, what is indeed perfectly well-known, that the Communist Party has been making strenuous efforts to capture the Trade Union movement in India. Only in May last the General Council of our own Trade Union Congress found it necessary to issue a statement on the Trade Union position in India with particular reference to the harm that is being done to legitimate Trade Unions by the activities of other so-called Unions under Communist control. It is hard enough for genuine Trade Union leaders in India to organize the great and largely floating masses of Indian workers, without having to fight other so-called unions designed for an altogether different purpose. The Government of India as a matter of fact, is anxious to encourage genuine Trade Unions and to escape from the present troublesome and dangerous

conditions. Needless to say, the Secretary of State is energetically backing up the Government of India in that attitude, and in its application, and will continue to do so. . . . I would also like to point out that this trial is taking place under the ordinary law, and not under the extra and special regulations which have been so often criticized by Labour Members in the House of Commons. We have also had complaints about the fact of bail not being given, about the place of trial and about trial by jury, but I would like to say that we have gone very carefully into all these questions, and we believe that the procedure which has been adopted is justified and is not unfair to the accused. It has been said that the proceedings have lasted too long, and I think there is some ground for that criticism, because trials in India seem to drag out to an inordinate length. But it is only fair to say that some part of the delay in this case has been due to the perfectly legitimate action of the accused in appealing on points of procedure, the decision of which necessarily hindered the progress of the case. We have made frequent representations to India with a view to the proceedings being expedited, and we believe that to some extent that has been achieved."

This frank statement of the solidarity of the Labour Government with the Government of India is of special interest when one considers the brutal repressive measures in which the Government of India had been indulging in the period immediately preceding the Brighton Conference (September 1929). The flogging and shooting down of strikers, the importation of Pathan strikebreakers, the victimization and imprisonment of union leaders, the promulgation of repressive ordinances, the passing of the Trades Disputes Act—all of these are things which, if they happened in this country, could not possibly be supported by any Labour Government which wished to retain the support of labour. Dr. Drummond Shiels was evidently counting

on the fact that it is not very easy to make clear to the workers of this country exactly what is happening in a country so far away as India. To anyone who had been studying the attitude of the Government of India to the trade unions in India, it was quite clear that only those unions which discouraged the workers from taking any militant action to prevent the worsening of their conditions were regarded as "genuine" by the Indian Government. The Bombay Textile Labour Union, which opposed both the cotton strike of 1928 and of 1929, and which had so lost the confidence of the workers that its membership had sunk below 7,000 at a time when the membership of the Girni Kamgar Union had risen to 65,000 (*Bombay Labour Gazette*, January 1929), was encouraged by the Indian Government and Dr. Drummond Shiels as a "genuine" union, while the Girni Kamgar Union, which was carrying out the policy of the All-India Trades Union Congress, was persecuted with all the resources of the Crown.

Dr. Drummond Shiels' attempt to shift the blame for the delay in the case on to the shoulders of the prisoners was a particularly mean manoeuvre, which lost any effect it might have had when it was seen to what inordinate lengths the prosecution were prepared to go in dragging the case out. The entire proceedings lasted for nearly four years and a half, the time being divided up as follows:

1. The preliminary proceedings before the Magistrate took over seven months, resulting in the commitment of the accused to court of session on January 14, 1930.
2. In the sessions court the prosecution evidence took over thirteen months.
3. The recording of the statements of the accused took over ten months.
4. The defence evidence lasted for about two months.
5. The arguments continued for over four and a half

months, the final speech of the prosecuting Counsel alone occupying two months.

6. The sessions Judge took over five months thereafter to pronounce his judgment, which was not given until January 15th, 1933.

7. The last of the Appeals was filed in the High Court on March 17, 1933, the hearing was fixed for July 24 and lasted for only eight days.

The case was conducted on a gigantic scale. All the resources of the State were placed at the disposal of the prosecution, which by October 1931 had cost the Indian Government and the India Office over £126,000; 3,500 exhibits were filed by the prosecution (including 1,000 copies of books and newspapers of which it refused to supply copies for the defence); and no less than 320 witnesses were examined, of whom eight were brought over specially from England. The judgment itself was in two printed volumes covering 676 folio pages. The defence on the other hand, was hampered in every possible way, the shortage of funds, the impossibility of paying an adequate fee to a Counsel of equal standing with the prosecuting Counsel, the distance of Meerut from the defendants' homes, documents, and witnesses, the refusal of the Government of India to give safe conduct to witnesses from England, the terrible prison conditions under which the prisoners had to prepare their defence, the rigid censorship of letters and documents—all these were serious handicaps.

On August 16th, 1932, the Assessors gave their verdicts, finding only seventeen of the thirty-one prisoners guilty, and the court was adjourned to allow the Judge to consider his judgment. During the adjournment D. R. Thengdi, executive member of the All-India Union Congress and of the Indian National Congress, one of the early pioneers of the Indian Trade Union Movement, died in September 1932.

Finally on January 15th, 1933, Mr. Justice Yorke announced his judgment: Muzaffar Ahmed, secretary of the Bengal Workers' and Peasants' Party and vice-president of the All-India Trades Union Congress, was sentenced to transportation for life; Dange, Ghate, Joglekar, Nimbkar and Spratt to twelve years' transportation; Bradley, Mirajkar and Usmani to ten years' transportation; three Indians to seven years' transportation; four Indians to five years' transportation; eleven prisoners to from four to three years' rigorous imprisonment. Three Indians were acquitted and one had been discharged after the preliminary inquiry. The judge actually sentenced five of the prisoners (including Lester Hutchinson) who had been found not guilty by all the assessors, to terms of three to four years' rigorous imprisonment, and six other prisoners, who had been found guilty by one of the five assessors, to varying sentences of transportation or imprisonment.

These savage sentences sent a shock throughout the British working-class movement. Even those Labour and trade union leaders who had refused to do anything to help the prisoners when the Labour Government was in power, had not expected such brutality, and felt that they had to justify themselves before the masses by some show of protest. Demonstrations and protest meetings took place all over the country, and interest was concentrated on helping the prisoners to take their case to appeal. By dint of much sacrifice a sum of £1,094 was collected in England alone towards the costs of the Appeal to the High Court, which was heard in July.

On August 3rd, 1933, the Chief Justice and Mr. Justice Young gave judgment, acquitting nine of the twenty-seven prisoners who were left, including Lester Hutchinson. The sentences of Muzaffar Ahmed (transportation for life), Dange and Usmani were reduced to three years' rigorous imprisonment; that of P. Spratt to two years',

those of Ghate, Joglekar, Nimbkar, Bradley, Mirajkar, Josh, Majid and Goswami to one year, that of Chakravarti to seven months. The sentences of the five other prisoners were reduced "to the terms already undergone by them", and they were consequently released.

The Chief Justice, in delivering his judgment, carefully divided the accused according to their political beliefs and seemed to regard it as his duty to allow those who had admitted membership of the Communist Party of India or of Great Britain to serve substantial sentences, while acquitting those who were not and never had been Communists. The only exceptions to this—and these were only partial ones—were in the cases of Hutchinson and Mittra. In the case of Hutchinson it was stated that he was a professed Communist but not a member of any Communist Party, but he was acquitted because "he did not become a member of the Communist Party of India or of any of the Workers' and Peasants' Parties".¹ Mittra, on the other hand, was acquitted because he was not a member of any Communist organization at the time of his arrest, and only became a convinced Communist as a result of his association with the other prisoners during the lengthy trial. Hence the effect of the case is to make it perfectly clear that the British authorities regard membership of the Communist Party of India as illegal and a sufficient pretext for a lengthy term of imprisonment.

The chief crime of the Communists in the eyes of the Indian Government is that they help to organize militant trade unions. The object of the Government in arresting the Meerut prisoners was to get all the militant trade union leaders safely out of the way at a time when not only were the workers and peasants in revolt against the imperial power, but many thousands of workers

¹ Judgment of the High Court, published in *Allahabad Law Journal*, August 12th, 1933.

were in revolt against the local bourgeoisie. From the point of view of immediate tactics the Government manoeuvre was a partial success; the leaders of the Bombay Textile Union were safely locked up before the Fawcett Report was published, and although that report was followed by another textile strike its leadership was uncertain and vacillating and therefore unable to extend the strike and weld the workers into unity. At the same time the position of the militant unions on the railways, in the jute mills, and in other industries was considerably weakened, and the reformist elements in the All-India T.U.C. were relatively strengthened. In spite of this, however, the militant trade unionists were sufficiently strong to take control of the T.U.C. at the Nagpur Conference of December 1929, and although the strike wave was damped down in 1930 by Government repression, the period of 1930-1933 has been rather one of building up and of clarifying of the issues than of reaction. Splits have taken place in the unions, in the T.U.C., in the Indian National Congress, but these are rather a sign of growth and rebirth than of decay.

CHAPTER V

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THE Nationalist Movement was from its inception a bourgeois movement. The expansion of British capitalism, which pushed its exploitation farther and farther into the country in search of raw materials and a market for manufactured goods, created in the process a class of Indian middlemen. The need of the British Government and commercial firms for clerks and other employees, on a far larger scale than could be supplied from England, was the basis for the introduction in India of modern education in the second decade of the nineteenth century. From then on the Indian bourgeoisie grew very rapidly, capturing entirely the professions of medicine, law and teaching, and gradually accumulating wealth. This class invested its wealth first in land and later in industrial enterprises, as did also the middlemen, who formed by the 'eighties of last century a rich mercantile and trading class. Already in 1880 a large amount of Indian capital was invested in jute and cotton mills, in inter-provincial commerce and banking houses, in savings banks and miscellaneous joint stock companies.

In the first decade of the twentieth century Indian capitalists were consolidating their position in the industrial field, new industries were being started, existing ones extended and modernized. The percentage of Indian capital in the cotton and jute industries showed a noticeable increase after 1905: the number of banks owned by Indian capital increased to sixteen in 1910, and

in 1907 the Tata Iron and Steel Co. was organized by Indians with a capital of £1,545,000, an amount hitherto unprecedented in Indian companies.

{The policy of the British Government, in heavily taxing the young native industries, in upholding the monopoly of foreign capital in the building of railways and other transport facilities, and in generally handicapping the economic development of Indian capitalism, forced the bourgeoisie into a political struggle}/ (This struggle gave rise to the Indian National Congress, which held its first session in 1882 under the presidency of W. C. Banerji, a rich lawyer who had invested his savings in commercial and industrial enterprises.

\Economic conflict also arose between the Government and the rich landholding class with regard to land revenue, particularly on the question of the partition of Bengal, a measure carried out by the Government in 1905 as a method of participating in the increased land values of the richer half of the province) (By 1905 the unification of the new landed and capitalist interests against British rule had been achieved, and the economic power of the Indian bourgeoisie had acquired sufficient strength to enable it to declare an open struggle against foreign capitalist monopoly.) (The twenty-fifth session of the Indian National Congress declared a boycott of English goods in order to force the repeal of the partition of Bengal Act; thus landlords, merchants, lawyers and bourgeois intellectuals united in the use of the economic weapon of boycott against British capitalists. The boycott in Bengal was very thoroughly carried out, and, although the Government tried to suppress the movement by force, the Nationalists adhered strictly to their policy of passive resistance right up to May 1907. At this point the sudden deportation of Lajpat Rai, one of the most influential of the Nationalist leaders, followed by the arrest and imprisonment of other Nationalist

leaders, resulted in a split in the movement and the formation of an "extremist" section, which advocated the overthrow of British rule by force. Some of these "extremists" joined in the work of the secret terrorist organizations, which had grown up towards the end of the nineteenth century, using methods of political assassination, bombs, etc.)

(In 1909 the Government, having failed to defeat the boycott by repressive measures, found it necessary to introduce the Morley-Minto reforms, conceding to the Indian bourgeoisie some nominal share in the administration of the country, and in 1911 the Act for the partition of Bengal was repealed.)

(But these concessions were of little use; the bitterness engendered by the British policy of repression had done its work, and hatred of foreign rule was to be the chief motive-power of a large section of nationalists for many years to come,) while the principle of political assassination, once accepted, had come to stay. (The increasing poverty of the masses, due to the rising intensity of British exploitation, and the enormous growth in the number of educated Indians for whom there was no possibility of employment produced widespread discontent which threatened to break loose as soon as the Imperial Power found itself faced with war. There was disaffection among the Punjab regiments on account of the agrarian legislation, introduced by the Punjab government, to the detriment of the peasants from among whom the army was recruited.) The bomb attack on the Viceroy in December 1912 (the author of which was never discovered in spite of the offer of huge rewards), the riot at Singapore, caused by the revolt of one of the Indian regiments stationed there, and the disturbances in the Punjab, were among the incidents which showed the state of feeling in the country and caused grave disquiet to the Government.) The political move-

ment had been largely captured by the "extremists", recruited mainly from the educated petty bourgeoisie, some of whom were advocating the complete separation of India from the British Empire by force, approved of the use of bombs, of the financing of their movement by organized robberies, and the forcible expropriation of their political opponents, as well as methods of warfare.

Thus the situation of India on the outbreak of War was sufficiently dangerous to make it necessary for the Government to buy up the wealthier section of the Indian bourgeoisie. This was done (a) by promising to give India self-government, provided she would help in the prosecution of the War, and (b) by granting in 1916 a $3\frac{1}{2}$ per cent. import duty on cotton. This latter concession, which was of vast economic value to Indian capitalists, was partly dictated by the fact that Japan was beginning to capture a considerable part of the Indian market, formerly supplied by English manufacturers. The effect of it was a great increase in the amount of Indian capital invested in cotton mills, and by the year 1917 the native production of textiles was 94.6 per cent. of the imports, as compared with 42 per cent. in pre-War years.

The War opened up a new era for the Indian bourgeoisie. The British Government was obliged temporarily to modify its former policy of keeping India industrially backward; the overwhelming competition of Imperial capital was suddenly removed and Indian capital was presented with a free field for development. The Government policy was successful in splitting the Indian nationalist movement. The wealthy bourgeoisie suspended the political struggle and helped the British Government in war recruitment and in restraining the less moderate elements in the nationalist movement, the petty bourgeois "extremists". (At the same time

the Indian capitalists acquired such a secure economic position that, when the War was over, the Government could not afford to ignore them.) Some sort of attempt, at least in appearance, to keep the promise of self-government, first given in 1911, and repeated more emphatically in 1914, had to be made. Hence the introduction in 1919 of the Montagu-Chelmsford Reforms, which granted a few illusory political concessions to the Indian bourgeoisie and some rather more substantial economic concessions to Indian capital. On the political field the property-owners' franchise was extended, the number and power of Indians in the Viceroy's Executive Council, in the Legislatures and in the Civil Services, were increased, and municipal administration was largely given over to the local bourgeoisie.

The Montagu-Chelmsford Report laid it down that it was in the domain of provincial government that the first advance towards the promised "responsible government" should begin, but the authors of the report were of the opinion that complete responsibility for provincial government "cannot be given immediately without inviting a breakdown".¹ Hence the introduction of the system of "dyarchy" under which the subjects with which the provincial governments were allowed to deal were subdivided into "transferred" and "reserved" subjects, and the former only were removed from the administration of the official bureaucracy and placed under ministerial control. Among the "reserved subjects" which were left in the hands of the official bureaucracy, and were therefore under the control of the Imperialist power, were Finance, Land Revenue, Administration, Irrigation, Administration of Justice, Police, Prisons, etc., Control of Newspapers, Books and Printing Presses, Factory Inspection, Settlement of Labour Disputes, Industrial Insurance, and Housing.

¹ *Montagu-Chelmsford Report*, paragraph 215.

The "transferred subjects", which included local government, public health, education of Indians, etc., were supposed to be entirely under the control of Indian Ministers responsible to an elected legislature, but this control was made purely illusory by the fact that finance, on which, as anyone with any experience of local governments knows, any effective action is necessarily dependent, remained in the hands of the official bureaucracy. Thus this much-advertised scheme for the granting of a measure of self-government to the Indians was soon seen to be a method of getting the Indians to perform the drudgery of government routine under the strict control of the Secretary of State for India and his representative, the Viceroy.

The main body of the Indian bourgeoisie was therefore not satisfied with the reform scheme, and the Congress movement, instead of being damped down by the Montagu-Chelmsford "concessions", grew and became stronger. At the same time the discontent of the masses was steadily increasing and it was not surprising that the National Congress leaders decided to strengthen their position against the British by endeavouring to get the support of the masses. Not only were they anxious to use the backing of the masses for the purpose of wringing further concessions from their British masters, but they feared the revolutionary tendencies in the mass movement and were anxious to develop the movement on purely reformist lines and to direct it into non-violent channels. Therefore they manoeuvred and struggled ceaselessly for two ultimately incompatible ends:

- (a) to gain the ascendancy over the mass movement; and
- (b) to win the revolutionary elements among both workers and peasants over for Congress aims, and divert them from the economic struggle.

If they could persuade the Indian toilers to fix their attention always upon the foreign exploiter the bourgeoisie hoped that their own exploitation would pass unnoticed.

It was in 1918 that the movement for national liberation began to spread beyond the narrow circle of the middle-class and affect the masses of the people. But the very awakening of the masses which enabled the political movement of the bourgeoisie to outgrow the stage of agitation and enter into an active fight, marked at the same time the initiation of a triangular struggle, in which the class war and the national struggle developed side by side, and were to a certain extent intertwined.

The struggle of the masses, inexperienced and inarticulate as they were, was directed against the Imperialist oppressor, the British, and also against the home oppressors, the Indian bourgeois industrialist and the Indian feudal landlord. But, owing to inexperience and lack of leadership, the masses did not always recognize their enemies, and when the Congress leaders bade them join in *their* fight against the imperialist oppressor, they did not at first see that it was only a sham fight, and that the Congress leaders themselves were only the other half of the dragon they had to slay.

This confusion was considerably added to by the emergence of M. K. Gandhi as the popular leader of the Congress forces, for he had the happy knack (from the Congress point of view) of putting up an almost impenetrable barrage of religious prejudices and sanctimonious slogans enclosed in a mist of saintliness, which acted as a perfect smoke screen, hiding—albeit only temporarily—from the masses, from international observers, possibly even from himself—his real character as the shrewd, unscrupulous servant of the Indian bourgeoisie, the strong upholder of the rights of property, the man who is prepared always to sacrifice

ruthlessly the interests of the peasant and worker to those of the bourgeoisie.

Stripped of all its mystical phraseology and of the atmosphere of piety in which it has been wrapped, Gandhi's philosophy is seen to be of the ordinary bourgeois type, but influenced, of course, by the handicapping of the Indian bourgeoisie by British imperialist rule. The main points of his campaign were:

1. Non-violent non-co-operation,
2. Boycott of British goods.
3. Mass civil disobedience, including later non-payment of rent and taxes.

Each of these was merely used as a method of bringing pressure to bear on British imperialism to grant concessions to the Indian bourgeoisie, and was not aimed at relieving the pressure on the masses. The advocacy of non-violence was a method of holding back any revolutionary tendency of the masses and protecting the property interest of the bourgeoisie. The boycott of British goods was of very great financial advantage to the bourgeois millowners, with whom Gandhi was always closely connected, and the no-tax campaign, as long as it remained a passive resistance movement, could do little harm to the bourgeoisie but was a powerful lever to use against the British.

Many people have been misled by the confusion surrounding the teachings of Gandhi into imagining that the essence of Gandhism was a hatred of Western civilization and a reactionary desire to return to the handloom—in fact a sort of Indian Luddism. This is a complete misconception. The resolution on *Swadesh* (the movement in favour of national industry), carried with the help of Gandhi at the 1920 session of the National Congress, makes this perfectly clear. These are the words of the resolution:

"... the session of the National Congress advises that Swadesh be adopted on a wide scale in respect to cotton goods, and as the existing factories of India with national capital and control do not produce sufficient yarn and cloth for the needs of the people, and will probably not be in a position to do so for a long time, the session of the National Congress advises that further production be stimulated on a large scale by increasing hand spinning in every house and hand-weaving by millions of weavers, who have given up work owing to lack of support."

(Gandhi was essentially a bourgeois reformist. He did not want to overthrow British rule, for he and the other Congress leaders realized that it would not be easy to hold down the masses without the help of the British forces, but he was willing and anxious to use the mass discontent as a weapon to help bring about the gradual abdication of the British rulers, which was the fond dream of the national reformists.) This dream was the basis of his belief in a kind of spiritual *Swaraj* (self-government) which "would descend upon India from heaven".¹)

Between 1919 and 1922 the Nationalist Movement in India was carried forward on a wave of mass struggle; millions took part in the great demonstrations, strikes and struggles of all kinds, and for a short period many Anglo-Indian officials were in a state of panic. The British Government in this crisis adopted a dual policy, a policy of conciliation and concession towards the wealthier Indian bourgeoisie seconded by brutal repression of the mass movement. The Montagu-Chelmsford Reforms inaugurated the former policy, the Rowlatt Act the latter. The Criminal Law Emergency Powers Act, 1919, commonly known as the Rowlatt Act, provided the Governor-General in Council with the most comprehensive punitive and preventive powers,

¹ *Indian Home Rule*, by M. K. Gandhi, 3rd Edition, 1921.

including arrest and search without warrant, confinement without trial, secret trial without defence. This Act, which was to operate for three years, caused immense resentment throughout India, and gave Gandhi the opportunity to put himself at the head of a united mass movement. His shrewdness and the experience he had gained in leading the struggle of the Indian emigrants in South Africa gave him the leadership of the movement in these early stages before it had gained sufficient experience to throw up leaders of its own. His campaign of *satyagraha* (passive resistance to evil) naturally appealed to the workers and peasants because they had no other weapon, and his call for a national strike met with a more complete and whole-hearted response than he had dreamed of. Tens of thousands of textile workers, railwaymen, miners, etc., came out on strike.

The Anglo-Indian officials, frightened by the mass upheaval which they saw all around them, had recourse to the most appalling brutality. Gandhi's "soul-force" called forth an altogether different kind of force and was met by widespread terrorism culminating in the most terrible massacre which had been seen in India since the suppression of the Indian Mutiny. In Amritsar, a town in the Punjab in which the Indian National Congress held its 1919 session, there were big demonstrations, and the British Military authorities decided to give the people a "lesson". On April 13th, 1919, fire was opened on a peaceful unarmed crowd of about twelve thousand men, women and children. The scenes which followed were described by an eye-witness:

"I took binoculars from Mr. Sita Ram to see who was speaking. I saw Pandit Durga Das, and was just mentioning this fact to Mr. Sita Ram, when I saw Gurkhas, with rifles in their hands, rushing into the garden from the Queen's Statue side, and form into two lines to the

left, as they entered on the Hansli—a raised ground in the Jallianwala Bagh covering the canal that feeds the Golden Temple tanks. There were forty to fifty in all as far as I could judge from a distance. Immediately an order was given to fire. No warning was given to the people to disperse. There were five or six European Military and Civil Officers, including Messrs. Rehill and Plomer, one Inspector of Police, Mian Mohd Ashraf, two Baluchoe Officers, Mit Singh, Sub-Inspector, two or three policemen in uniform, and some others, including Bhagwan Singh and Wedhawa Singh in plain clothes. I think Inspector Jawahar Lal, of the C.I.D. was also present. The firing continued incessantly for about ten to fifteen minutes at least, without any perceptible break. I saw hundreds of persons killed on the spot. In the Bagh there were about twelve to fifteen thousand persons and they consisted of many villagers, who had come to Amritsar to see the Baisakhi fair. Quick-firing guns were used. The worst part of the whole thing was that the firing was directed towards the gates through which the people were running out. There were small outlets, four or five in all, the bullets actually rained over the people at all these gates. Shots were also fired into the thick of the meeting. There was not a corner left of the garden facing the firing line, where people did not die in large numbers. Many got trampled under the feet of the rushing crowd and thus lost their lives. Blood was pouring in profusion. Even those who lay flat on the ground were shot, as I saw the Gurkhas kneel down and fire. As soon as the firing stopped, the troops and officers all cleared away. No arrangements were made by the authorities to look after the dead or wounded. I was told later that Mr. Rehill and Mr. Jawahar Lal could not bear to see the firing through and went outside the garden to avoid the sight.”¹

¹ Statement of Mr. Girdhari Lal, Deputy Chairman Punjab Chamber of Commerce, and Managing Director Amritsar Flour Co., published in Report of Commissioners appointed by Punjab Sub-Committee of the Indian National Congress.

For nearly eight months this massacre was hushed up, the news was prevented from reaching England by a strict censorship, and even communication between the Punjab and other provinces was under careful surveillance. But in time the news leaked out and created a world-wide scandal. An official Committee of Inquiry (the Hunter Commission) was set up, which did a certain amount of whitewashing, but could not hide the facts. Mr. Montagu, Secretary for India, in a dispatch to the Viceroy dated May 26th, 1920, stated that no orders to disperse were given to the crowd in the Jallianwala Bagh, but "having deployed his troops, Brigadier-General Dyer at once gave orders to open fire, and continued a controlled fire on the dense crowd facing him in the enclosure (which he estimated at about 5,000 persons) for some ten minutes, until his ammunition supply was at the point of exhaustion; 1,650 rounds of ammunition were fired. The fatal casualties as the result of this action are believed to be 379, the number of wounded has not been exactly ascertained, but is estimated by Lord Hunter's Committee at possibly three times the number of deaths".¹

The Hunter Commission reports certain evidence of atrocities in other parts of the Punjab, besides Amritsar. At Ahmedabad 28 unarmed Indians were killed and 125 wounded, at Lahore a crowd of 6,000 were fired on, and the terror extended also to the villages. Armoured trains pulled up and fired machine guns into villages and among crowds "just to create an impression". Bombs and machine guns were used from aeroplanes and one airman actually bombed the Khalsa High School. General Dyer's infamous "crawling order" (by which all Indians who wished to pass along a certain street were made to crawl on hands and knees) was not

¹ From correspondence issued with the Hunter Commission Report.

supported even by the whitewashing Majority Report, and he was deprived of his command, but Sir Michael O'Dwyer (Lieutenant-Governor of the Punjab) and the Viceroy, Lord Chelmsford, who were rightly regarded by the Indians as responsible for the policy of terrorism, were exonerated and even praised.

The mass movement which Gandhi had presumed to lead rapidly outran his control. His insistence on non-violence, his respect for property rights, his unerring instinct for preserving the interests of his own class, filled his position as leader of the masses with contradictions. From the point of view of Gandhi's own class the national strike, which he himself had advocated, was too successful. In the textile factories of Bombay (mostly owned by native capitalists, many of whom were Congressmen) the call was responded to by several hundred thousand workers, who were suppressed only by machine guns and bombing planes. In his home town of Ahmedabad, where about fifty thousand textile workers were on strike, and the railway workers were holding up the traffic in order to prevent the rushing of troops to the Punjab, Gandhi was found co-operating with the "Satanic" government in restoring order. Not only did Gandhi rush to the rescue of the capitalists as soon as their property was threatened, but under his presidency the "Satyagraha Committee" ruled a temporary suspension of civil disobedience and ordered every patriot to follow the noble example of their leader in helping the Government to restore order. Passive resistance only for the masses, but the Government which uses machine-guns, bombs and massacres against them is supported by Gandhi whose bourgeois instincts easily overcome his "pacifist" principles.

This first betrayal of the passive resistance movement by its own leader took place in 1919. But it took more than one betrayal to convince the illiterate masses, misled

by the Mahatma's reputation for saintliness, that Gandhi was not a trustworthy guide. In 1921 when Lord Reading was sent out to India as Viceroy in the hope that he would be able to control a situation which was becoming very dangerous to British imperialism, the non-co-operation movement, under the leadership of the National Congress, was still in full swing. Congress had succeeded in collecting a National Fund of one crore rupees (about one million pounds), had already ten million registered members, and had built up a nationwide propaganda organization which was sweeping Indians of all classes—peasants, petty bourgeoisie, intellectuals and workers—into Congress activities. At this moment when the movement was becoming formidable and the British authorities were watching anxiously to see if the leaders really meant business, Gandhi decided to compromise. He—the leader of non-co-operation—went to Simla to negotiate with the Viceroy of the government he was professing to boycott, and made concessions which were fatal to the prestige of the Congress movement, at the same time making it quite clear to the British Government that they had nothing to fear from the leaders of the non-co-operation movement. The Government therefore proceeded to arrest seven prominent non-co-operators and to prosecute nationalist journals for alleged seditious utterances.

But in spite of Gandhi's vacillations the movement went very much deeper than the Government realized, and victimization of the leaders only brought to the surface the seething unrest which lay beneath. The strength and depth of the anti-British feeling throughout India was tested on the occasion of the visit of the Prince of Wales to India, which took place in November 1921. The Working Committee of the National Congress had countered the arrest of some of its most prominent leaders by announcing a programme

of civil disobedience, including non-payment of rent and taxes, and a national boycott of the Prince of Wales' visit. The response was immediate and electrifying. India became a seething volcano of unrest, the slogans of civil disobedience, boycott and general strikes spreading like wildfire throughout the countryside. The Prince's landing in Bombay was the signal for an outbreak of rioting in all parts of the city, strikes were declared in all big industries and the entire life of the city was dislocated for four days. In Bombay on the day the Prince landed, 83 police were wounded, 53 Indians killed and 298 wounded, 341 arrested; 160 tramcars were destroyed or damaged, 139 shops looted or burned out. A complete *hartal*¹ was declared in Calcutta, where for the whole day the control of the city passed into the hands of Congress volunteers, the police being helpless. "At nightfall electric lights were cut off, and the streets were silent, dark and deserted. It was like a city of the dead."² The situation in other cities was much the same, though in some places there was no rioting. When the Prince reached Allahabad the streets were festooned and garlanded, but the silence was impressive. The British authorities could ensure the Prince's safety with armoured cruisers, machine-guns, and soldiers, but they could not ensure him a welcome. In cases where the populace were driven into the streets under the *lathis* of the police they stood silent and sullen—royalty had no glamour for the victims of the British terror. Government retaliation was swift and brutal. The popularity of the Throne must be enforced at all costs. More than 500 arrests were made in Calcutta alone and the recruiting and organizing of Congress Volunteers was declared to be illegal. Section 2 of the Criminal Law Amendment

¹ A *hartal* in any town or district means a strike of all the workers, the closing of shops, bazaars, exchanges, and the cessation of all business.

² *The Times*, November 20th, 1921.

Act, which prohibited three people meeting together in one place, was applied to all the principal districts of India, with the result that all the Provincial Congress Committees became "unlawful associations" and their members were arrested wholesale. All the principal leaders of Congress (with the exception of Gandhi) including its president, C. R. Das, its Secretary, Motilal Nehru, and Lajpat Rai, a Punjab Leader, were arrested. The arrests of students, workers and strikers, acting as pickets or Congress volunteers, were legion, and for the first time educated Indian women who took part in the agitation were thrown into gaol to the horror of the Indian bourgeoisie.

Under these circumstances the 1921 session of the Indian National Congress took place under the guidance of Gandhi, the one leader whose arrest was a step the Government dared not take. The 6,000 delegates, outraged by the policy of brutal repression pursued by the Government, adopted as a means of attaining *Swaraj* Gandhi's resolution calling for "aggressive civil disobedience to all Government laws and constitutions; for non-violence; for the continuance of public meetings throughout India despite the Government prohibition, and for all Indians to offer themselves peacefully for arrest by joining the volunteer corps". That *Swaraj* meant only home rule within the Empire was made clear by the defeat of a resolution advocating "complete independence outside the British Empire", although a strong minority voted in its favour.

It is a significant fact that although it was the awakening of the masses, the support of tens of thousands of peasants and workers, which had made the Congress movement formidable and had turned the boycott of the Prince's visit into the most amazing demonstration of national solidarity that had ever taken place in India, the leaders of Congress had failed to incorporate any of

the economic demands, which supplied the real motive force to the mass of their supporters, into their programme. The completely bourgeois character of the leadership of the Congress, under Gandhi, is strikingly demonstrated by the fact that, in December 1921, meeting just after the second session of the All Indian Congress of Trade Unions at a time when there was a widespread strike movement, the National Congress did not discuss the economic conditions of the workers, or hold out a helping hand to any of the strikers. Even to please the class from which his most effective support was drawn Gandhi could not, even for a moment, forget his subservience to the capitalist, mill-owning class.

Gandhi, as head of the Working Committee, was given by Congress dictatorial powers, but he hesitated to use the weapon of mass civil disobedience. In the meantime the Government who, by their wholesale arrests and imprisonments had aroused even the Moderates to protest, thought it wise to conciliate them by responding to Pandit Malaviya's suggestion of a "round table conference" to discuss a solution of the crisis. Gandhi immediately postponed the operation of civil disobedience and an All-Parties Conference was held on January 15th, 1922, to lay down terms for the calling of a round table conference. The Viceroy, Lord Reading, took advantage of Gandhi's weakness and brought the negotiations for a conference to an abrupt end. Gandhi was thus left with no alternative but to sanction mass civil disobedience, which he did on February 7th, 1922.

Although mass civil disobedience was so much feared by their leader, the peasants were already spoiling for the fray, and non-payment of taxes (sanctioned by Local Congress Committees) had already begun spontaneously in various districts. The extension of the non-cooperation campaign, with its boycott of foreign shops and its refusal to pay taxes, to all parts of the country

inevitably gave rise to numerous encounters with the police and military, and was met with a violent repression which caused widespread disturbances. Five thousand arrests were made in Bengal alone, and in the Punjab high police officials were besieged in their police stations and had to be rescued by troops. In districts where the land revenue was refused troops were quartered on the population to enforce collections and special taxes levied to maintain them. Several Sikh regiments refused to obey orders, mutinied in gaol and deserted in large numbers.

At this critical moment when the whole country was a seething volcano and British rule in India hung in the balance, Gandhi's pacifism provided him with an excuse to wreck the whole movement. On February 4th disturbances took place at Chauri Chaura (in the United Provinces), where a procession of Congress volunteers, having been fired on by the police, captured a police station and killed some policemen. The news of this event (and similar events were taking place all over India) leaked through the censorship and reached Gandhi, who regarded it as "a third warning from God against the hasty embarkation on mass civil disobedience."¹ Consequently at Gandhi's instigation the Working Committee of Congress met at Bardoli in a panic and revoked its mass civil disobedience order, even forbidding all picketing, processions and public meetings. The peasants were ordered to pay land revenues and all other taxes due to the Government.

Thus Gandhi himself, when the movement was at its highest point, reduced it to rout and confusion, and by so doing delivered over those of his followers who had obeyed Congress instructions to the brutal punishments of a ruthless government. Two hundred and twenty-eight of Gandhi's peasant followers were actually

¹ *Young India*, February 10th, 1922.

condemned to death by hanging, but the barbarity of this sentence created so much feeling that it was ultimately reduced to 19 death sentences. The whole non-cooperation movement was thrown into confusion, and the Government seized the opportunity to arrest its leader.

Thus the Mahatma's pious pacifism was the means of bringing death and destruction to the simple followers whom he disowned. All the forces of repression were let loose on a bewildered and non-resistant people, and by July 1922, no less than 25,000 Indian patriots lay in gaol on vague charges of "sedition", "disaffection", and "waging war against the King". Gandhi's own ascendancy was broken; the Congress Committee which met at Delhi to discuss the Bardoli decisions, decided, after a bitter struggle, on a compromise by which non-cooperation was again sanctioned, including *individual* civil disobedience and picketing.

Two months earlier any attempt to arrest Gandhi would have led to a popular uprising, with incalculable results. But now the Government realized that the basis of his power had been destroyed, and he was accordingly arrested and sentenced to six years' simple imprisonment. The mass movement had been broken up and thrown into a confusion and discouragement from which it would take years to recover, but something had been achieved—this *débâcle* ended the unquestioned ascendancy of bourgeois nationalism over the mass movement. Although a period of reaction inevitably followed the failure of 1921-22, from this time the workers and peasants began to organize themselves on class lines and sought new and more revolutionary leaders, more concerned with their own economic problems than with mystic soul-force and the struggle between the native and the foreign bourgeoisie.

The history of the National Congress since the 1922

betrayal has been one of vacillation and compromise. The attempt by Congress to get its adherents to boycott schools, law courts, and government posts and titles was a dismal failure. It succeeded, with disastrous results, in keeping a number of young idealists away from school and college, without providing them with any alternative means of study or livelihood, but had little success in higher places. The boycott of foreign cloth and of liquor shops was a little more effective. The boycott of foreign cloth was, of course, of great economic advantage to the Indian mill-owners who financed the Non-co-operation Movement largely for this reason, and it had the further advantage of being a weapon to be used against the Imperial government, without in any way endangering British rule.

By September 1923, the programme of militant mass action had been superseded by constitutionalism and the leadership of the Congress had fallen into the hands of the Swaraj Party, whose object was the attainment of Dominion status within the Empire. The Reform Councils, hitherto banned by non-co-operators, were now declared to be the most useful field for Nationalist activities. This was a change of tactics dictated by the betrayal of the civil disobedience movement and coincided with the mood of the upper bourgeoisie, who were prepared to co-operate with the British in the exploitation of all other Indian classes (their sole quarrel being over the sharing out of the spoils), while at the same time increasing the discontent of the petty bourgeoisie, who were gradually forced by economic pressure to ally themselves with the workers and peasants. Once inside the Councils the Swarajists slipped further and further to the right; the original obstructionist policy was renounced, making easy the way of alliance with the Liberals, and by 1924 we find the Swarajists serving on the Government Steel Protection Committee and voting

for the Steel Protection Bill, which granted an enormous bounty to the Tata Steel interests, without a thought for the conditions of the steel workers. The *rapprochement* between the Indian bourgeoisie and the imperial government was further marked by the establishment of the Indian Tariff Board, and the abolition of the cotton excise duty, a great concession to the demands of Indian capitalism. The weaning of the Swaraj Party from any "Left" tendencies was completed by the British Labour Government of 1924, under whose auspices the Bengal Ordinance was introduced, which served as an implement for the arrest and imprisonment without trial of any remaining Left Wingers.

This Liberalization of the Swarajists led to the splitting of the nationalist ranks and the formation of new parties. Indian Communist groups were forming at this time, and, in spite of the police terror directed against the Communists, they were steadily increasing their influence and doing important work in the formation of local Workers' and Peasants' Parties which united Left Wing nationalists, discontented members of the petty bourgeoisie, peasants and workers on a programme of advanced national and economic demands. A complicating political factor was introduced by the growth of communal conflict between the Hindus and Moslems, a conflict which was closely connected with the political differences in the Nationalist ranks, and with economic factors (as, for instance, in Bengal and the Punjab where Moslem peasants are faced by Hindu landlords and money-lenders). The rivalry between the communities has always been fostered by the British Government, and in this period of competition among the various new parties for positions of influence in the Councils communal passions were deliberately aroused for political purposes.

The period from 1922 to 1928 was one of intensified

exploitation, with a consequent strengthening of working-class organizations. The rank and file of the petty bourgeois nationalists was forced by the steady swing to the right of the Congress leaders to unite with the class-conscious workers, and out of this union grew the Workers' and Peasants' Parties which were formed first in Bengal, Bombay, and the Punjab. At the meeting of the National Congress Committee in May 1927, the representatives of these parties put forward an advanced programme which created a considerable impression, although its discussion was ruled out of order. This programme called for the adoption of national independence as the Congress's goal, the preparation of direct action by the masses, including the organization of a general strike and agitation in support of the economic and political demands of the workers and peasants. The Workers' and Peasants' Parties played a prominent part in the Bengal-Nagpur railway strike and obtained considerable influence over the Congress organization in Bombay, and, to a lesser degree, elsewhere. Thus the rank and file of Congress members got more and more beyond the control of the Swarajist leaders, and it became necessary for the Congress leadership to change its tactics and move to the left.

The result of this mass pressure became strikingly evident at the Madras session of the Congress at the end of 1927. For the first time it was clearly proclaimed that "the Congress declares the goal of the Indian people to be complete national independence". Other decisions were taken which surprised even the Congress leaders themselves; Congress decided to join and support the International League against Imperialism; resolutions were passed opposing the war preparations of British imperialism, and approving the fight of the Chinese people against imperialism. These decisions marked a turning point in the history of the Nationalist Movement,

and signalized the defeat of the rising power of the masses of the old Swarajist leaders, who were against the anti-imperialist fight and wanted not independence but dominion status. The independence resolution had been repeatedly put forward by the left wing. *The Mahratta*, commenting on the Madras decision, stated that in previous years "Mahatma Gandhi had to use all his tact and influence to induce Congress men to reject the proposals". Just prior to the Congress Motilal Nehru, the leader of the Congress Party, declared:

"The only result the present action of the Government is likely to lead to is to strengthen the hands of that growing body of Indians who are working for complete independence. I am afraid those who are still for full responsible Government within the Empire will find it difficult to maintain the majority which they undoubtedly have at present."

The Statutory Commission (the "Simon Commission") appointed in November 1927 under the provisions of the India Act of 1919 for "the purpose of inquiring into the working of the system of Government", was met at first with an almost complete boycott. Even the Legislative Assemblies determined not to set up any committees to co-operate with the Commission, but the Swarajists, who constituted the largest section of the elected membership of the legislatures, did not differ much from the view of Lajpat Rai, an ex-member of the party, who made the following comment:

The practical politician in India directs his energies to a compromise with the British Government on such a basis as may be profitable to both. But those negotiations the British Government will not enter into. That is why I am wholeheartedly in favour of boycotting the Commission.

It was therefore hardly to be wondered at that they showed their usual vacillation, and by September 1928 all but one (the Central Provinces) of the Legislative Assemblies had set up Committees to co-operate with the Commission. In addition an Indian Central Committee, composed of members of the two houses of the Central Legislature, was set up to co-operate with it.

But the attitude of the masses to the Commission was unmistakable. Under the leadership of the Workers' and Peasants' Parties and some Provincial Congress Committees huge mass demonstrations and *hartals* were organized, and the reception given to Sir John Simon and his fellow Commissioners when they reached India in February 1928 was overwhelmingly hostile. In Bombay, Madras, Calcutta and other towns demonstrations and strikes were the order of the day, and armed police, troops and armoured cars were used to quell the populace. The support given by the British Labour Party to the Commission, which included two Labour representatives, Attlee and Hartshorn, was much resented in India.

The division of the Nationalist Movement into right and left wing parties was definitely marked by the calling in February 1929 of a so-called "All Parties' Conference", representing the right wing of Congress together with a certain section of the Liberals and Independents. This Conference, which was an answer to Lord Birkenhead's challenge to critics of the Commission to put forward their own suggestions for a constitution, tried to settle the points of conflict between Hindus and Mohammedans, including that of communal electorates, and to draw up a Constitution acceptable to the minority communities. In August it published a report (known as "the Nehru Report") which was signed by Pandit Motilal Nehru, leader of the Congress Party, Sir Tej Bahadur Sapru, Leader of the Liberals, Jawaharlal

Nehru (afterwards president of the 1929 session of the National Congress) and five others. The report proposed that the form of Government to be established in India "shall in no event be lower than that of any self-governing Dominion", and that it should be "a government in which the executive should be responsible to a popularly elected legislature possessing full and plenary powers". Except in the Punjab, where elections were to be from general electorates on a basis of adult suffrage, the question of the abolition of communal electorates was to be shelved for ten years. The report also contained a provision guaranteeing "all titles in private and personal property enjoyed at the establishment of the Commonwealth".

The Nehru Report was regarded in official circles as "the most important of all the reactions of those who have held aloof from the work of the Statutory Commission to the position created by the appointment of the latter", but it soon became the subject of violent criticism by the Muslims and the Sikhs.

The counterblast of the left wingers took the form of an organization entitled the Indian League for Independence, which first took definite form in Bengal in 1928 under the leadership of S. C. Bose, ex-deportee under the Bengal Ordinance and one of the secretaries of the National Congress. The League stood for complete national independence and put forward an economic programme of socialist demands, such as removal of economic inequalities, nationalization of key industries, the eight hour day, etc. One of the most significant points about this League was that it was supported and even sponsored by Jawaharlal Nehru and other supporters of the Nehru Report. Jawaharlal Nehru, who provided the League with the programme of social reforms, which he looked upon as a necessary concession by "enlightened capitalism", made the position of the

League clear by the provision that "all disputes between labour and capital management shall be submitted before an impartial board for arbitration with a view to making strikes and lock-outs unnecessary". The "impartial" nature of such a board was soon tested when the Fawcett Committee reported in 1929.¹

At the Calcutta session of the National Congress in December 1928, Gandhi, who had recently reappeared on the political field, worked hard to effect a compromise between the adherents of complete independence and those of Dominion Status, with the result that a resolution was passed accepting dominion status (as provided for in the Nehru Report) provided that it was granted within twelve months, while at the same time allowing the advocates of independence to carry on their campaign in the name of Congress. The resolution contained a threat that if dominion status was not granted within the year the Congress would revive non-violent non-co-operation. An amendment repudiating dominion status and claiming independence was lost after long and heated debate by 973 votes to 1350. This shrewd piece of manœuvring on the part of Gandhi gained time for the Right Wingers and condemned the Independence League to impotence.

But the movement outside Congress was not standing still. The Workers' and Peasants' Party, the only nationalist group which concerned itself with the demands of the masses, held its first All-India Conference at the same time as the Calcutta Congress, and called for complete national independence, the total abolition of the Native States, the nationalization of the land and of the means of production, distribution and exchange.²

At the same time the awakening of the masses was signalized by more and more widespread and lengthy

¹ See Chapter III, p. 108.

² For full programme see *Labour Monthly*, March, 1929.

strikes,¹ by peasant disturbances in Bombay, Madras, the United Provinces and Bengal, by the spread of the Workers' and Peasants' Party into new provinces, by the growth of Youth organizations and the widespread and enthusiastic endorsement of the slogan of Independence. The impotence of the Left Wing Congress leaders was shown by the fact that they were unable either to hold back or to lead the strikes, or to build up any mass membership for their new league. The leadership of the masses had already passed into the hands of the Workers' and Peasants' Party, under communist guidance, and the attempt of Jawaharlal Nehru and his associates to shepherd them again into the fold was condemned to futility.

The Labour Government, which came into office in May 1929, had neither the desire nor the strength to reverse the policy of savage repression which it inherited from the Tories; it allowed the Meerut trial to drag out its weary length; the life of Jatindranath Das to be sacrificed in Barisal Gaol; the Bombay cotton workers to be driven back to work at starvation wages, and all strikers to be met with police terrorism and repressive legislation. The consequent deepening of revolutionary mass feeling, and the increasing pressure exerted on the Nationalist leaders made it difficult for them to refuse to carry out their promise that unless dominion status was conceded in 1929 they would open a campaign of civil disobedience.

The prospect of a mass civil disobedience campaign alarmed not only the British Government, but also the Indian Nationalist leaders, and it became clear in the latter months of 1929 that both sides were seeking a compromise. Following correspondence in October 1929 between Sir John Simon and Mr. Ramsay Macdonald regarding the setting up of a Round Table Conference after the work of the Statutory Commission and the Indian Central Committee had been completed, Lord

¹ See Chapter IV, p. 140.

Irwin (the then Viceroy) published a statement to the effect that "the natural issue of India's constitutional progress", as contemplated in the declaration of 1917, "is the attainment of Dominion Status".¹ A meeting of the leaders of all political parties held at Delhi in November published a manifesto, signed by Nationalists of widely differing views, offering a tentative co-operation in the Conference, provided (a) that its purpose be "to frame a scheme of Dominion Constitution for India", (b) that it be convened as expeditiously as possible, and (c) that a policy of general conciliation, including amnesty of political prisoners and predominant representation of the National Congress, be adopted.² The Viceroy's statement raised a storm in England, the Prime Minister was forced to explain that it did not mean any change of policy, or any speeding-up of dominion status, and Mr. Wedgwood Benn's answer to the appeal for an amnesty was an uncompromising negative.

The signatories to the Delhi Manifesto had been sold, and were therefore in a suitable frame of mind to yield to the mass pressure which was brought to bear on them at the Lahore session of the National Congress in December 1929. Lord Irwin's statement was a last effort to stem the tide of mass revolt and enable the Congress leaders to retain control of the situation, but the trick was ruined owing to the pressure of the Tory Diehards in England. Consequently the Congress leaders were swept off their feet by the revolutionary enthusiasm of the thousands of workers who stormed their platform at Lahore, and resolutions were passed boycotting the Round Table Conference, defining *swaraj* to mean "complete independence", and sanctioning a programme of mass civil disobedience including the non-payment of taxes.

¹ *The Times*, November 1st, 1929.

² *Ibid.*, November 4th, 1929.

But it must be remembered that all the militant leaders were safely locked up in Meerut and other gaols, and that the Congress leaders wanted above all things to avoid anything like a mass uprising. On the other hand they did not want to be further discredited in the eyes of the masses and feared the rising power of the communists. They were anxious to use the unrest in India to force concessions for their own class (the bourgeoisie) from the British Government. Therefore Gandhi, Motilal and Jawaharlal Nehru, S. C. Bose, etc., changed their tactics from day to day and sowed endless confusion, disorganizing the mass movement and making it easy for the British Government to retain its hold on the country. Both the Nehrus had signed the Nehru Report and the Delhi Manifesto, but Jawaharlal Nehru, in his presidential address at Lahore, said: "Independence to us means complete freedom from British domination and Imperialism." Gandhi, who had refused the Presidentship of Congress on the ground that he was a "back number"—"I know that I must take a back seat and allow the surging wave to pass over me."¹—nevertheless took the responsibility of sponsoring the resolution in favour of national independence. At the same time he opposed the immediate opening of a campaign of civil disobedience and made a strong appeal for non-violence. S. C. Bose, who had refused to sign the Delhi Manifesto, put forward in the Congress Committee an amendment proposing complete severance of the British connexion, the establishment of a parallel government and an immediate campaign of mass civil disobedience.

His amendment was lost in Committee, and he did not press it to the vote in open Congress, where it would have had much more chance of being passed. That the leaders, far from leading, were being pushed, was

¹ Letter written to Congress organizers in August, 1929.

testified to by *The Times* correspondent, writing from Lahore on January 2nd:

Those who saw the scenes of almost hysterical enthusiasm in the streets of Lahore . . . realize by now that if any moderate leader had had the courage to advocate taking part in the proposed Round Table Conference he would not have stood the ghost of a chance. The delegates had come determined to go all the way; and no half-way house would have satisfied them.¹

On the industrial side also the workers' disillusionment with the national reformists was practically complete. During the textile strikes the Bombay Congress organization (which was, of course, partly made up of mill-owners) voted money and means for propaganda against the strikers. The Swaraj Party, which was in the ascendant in the National Congress, was also in control of the Calcutta Municipality, which brought in police forces and blackleg labour in answer to the demand of the Calcutta scavengers for a living wage. These strike experiences went far to remove the illusion of the workers that the political parties of the National bourgeoisie in opposing British imperialism were also opposing the system of exploitation of the masses. The accompanying disillusionment with the reformist leadership of the old unions, and transference of allegiance to the Girni Kamgar Union and other militant organizations which had been thrown up in the course of the struggle, had important consequences. Among these was the victory of the militant trade unionists in the All-India Trades Union Congress, which took place at Nagpur in December 1929. Fifty-one unions with a total membership of 190,436 were represented, out of which a majority were organized in militant unions, including the G.K.U. and the G.I.P. railwaymen's union. The Congress Executive

¹ *The Times*, January 3rd, 1930.

Council recognized the Bombay Girni Kamgar Union and passed resolutions in favour of the boycott of the Royal Commission appointed by the British Government to report on labour in India (the Whitley Commission); the affiliation of Congress to the League Against Imperialism and to the Pan-Pacific Trade Union Secretariat; the rejection of the proposal to send delegations to the Geneva International Labour Conferences; the condemnation of the National Congress report in favour of dominion status, and the rejection of the Round Table Conference proposal. The result was that the leaders of the old reformist unions, N. M. Joshi, R. R. Bakhale, Diwan Chamanlal, etc., seceded from the Congress with thirty of the reformist unions and formed a rival organization under the name of the All-India Trades Union Federation. This body, which is dominated by the Liberal Federation, supported the Whitley Commission, and Diwan Chamanlal and N. M. Joshi acted as Indian Labour representatives on the Commission. It also supported the Round Table Conference and asked for representation thereon.

Although the Trade Union Congress had shed some of its reformist elements and embarked on a militant working-class policy, it still had to reckon with the Congress elements within it, Jawaharlal Nehru and Subhas Bose, who had been elected President. These two had been in favour of unity with Joshi and the other reformists, but when the split came had been obliged to remain inside the T.U.C. because of the political situation in the country, which had forced the National Congress at this time to take up a hostile attitude to the Whitley Commission and the Round Table Conference. During 1930-31 a new wave of militancy provided a severe test for the trade union leadership. Strikes broke out on the G.I.P. railway, in the cotton mills in Madras, in the Bengal jute mills and in the Kolar goldfields, and

strikers joined in the demonstrations of National Congress volunteers. In the G.I.P. railway strike the leaders of the Trade Union Federation, Joshi, Bakhale, etc., joined with the employers to keep the strike from spreading, and declared that it was not a genuine trade dispute. They carried on their strike-breaking tactics through the small G.I.P. Staff Union, which helped, together with newly recruited blacklegs, to keep the train services running. The Indian Trades Union Congress, under the leadership of the Jawaharlal Nehru (who was also leader of the National Congress) did little to help the strikers. Under these circumstances they were defeated, though not subdued, and the strike was called off unconditionally in the middle of April. Thousands of workers were victimized, thrown out of employment and out of their houses, and the position of the railway workers went steadily from bad to worse, thirty-five thousand being dismissed under retrenchment schemes within a year.

Throughout this period a great struggle went on inside the trade union movement between the reformist and the revolutionary elements. M. N. Roy, a former Indian Communist who had been expelled in 1929 from the Communist International for his policy of class collaboration, returned to India in 1930 and assisted the reformists in their struggle against the militant elements in the trade union movement. He formed a bloc with S. C. Bose (who had been elected president of the T.U.C. in 1929), J. Mehta, Ruikar and others who were dominated by the National Congress influence. This bloc took up a centrist position and worked for unity with the Trade Union Federation and against the preparations which the Communist and revolutionary elements were making for a general strike.

Mr. J. Mehta with a few others ultimately went to join N. M. Joshi in the Trade Union Federation. All this led to a further split in the T.U.C. at the Calcutta session

of July 1931, when S. C. Bose refused to allow the representatives of the G.I.P. Railway Union (the biggest union in India) to vote, and the revolutionary elements left the Congress. Mr. Bose in his presidential address called upon the T.U.C. to allow delegates to be nominated to the imperialist International Labour Office, supported the Gandhi-Irwin Pact and was obviously ready to accept a seat at the Round Table Conference. Mr. Bose received full support for this policy from the Roy group, who thus shared with him the responsibility for this split, which resulted in the formation by the revolutionary elements of the Red Trade Union Congress.

The Nagpur and Lahore Congresses marked a turning point in the industrial and political struggle of the class-conscious workers and peasants. Prior to 1929 a number of individual communists and a few communist groups existed in India, but efforts to link these up and to form an all-Indian Party were not successful, most of the energy of the revolutionaries being used in building up the Workers' and Peasants' Parties. The difficulties in the way of the organization of a proletarian party were very great. The majority of the industrial workers had come into the towns comparatively recently, and a large number of them kept their contacts with the villages and were ready to return as soon as labour disputes broke out. A census of the Bombay textile workers taken in 1927-28 showed that over 37 per cent. had worked in industry for less than five years. The organization of a young, primitive, proletariat, still imbued with the peasant outlook and divided by the caste system, presented formidable difficulties. But the events and upheavals of 1919-1929 resulted in a rising tide of class-consciousness; the Bombay and Calcutta textile workers, the oil workers, the miners and the various grades of railway workers throughout the country had learned to stand solidly against the attacks of capitalist and government

alike, and by 1930 it had become clear that the time was ripe for the building up of an independent working-class party. The Indian National Congress, for reasons which have already been discussed, was losing its hold on both peasants and workers, the terrorist organizations could produce any number of martyrs but no tangible results, the Workers' and Peasants' Parties were too much diluted with petty bourgeois reformists to achieve anything, and it became clear that only a proletarian party, based on a scientific Marxist philosophy, could give the fighting lead that was required.

The weakness of the leaders of the Indian revolutionary movement up to 1930 lay in the fact that most of those who understood the need for an independent class organization and saw the treacherous nature of the bourgeois Congress leaders were imprisoned at Meerut early in 1929. Those who took their places in the leadership of the revolutionary movement after the Meerut arrests were inexperienced. The Government had thus succeeded to some extent in disorganizing the movement, and at the same time M. N. Roy, with a group which included S. C. Bose, Ruikar and others, was able further to disrupt the revolutionary front of the workers. Roy opposed the formation of a revolutionary party and called upon the workers to support the Indian National Congress and its policy. Gathering round him the multifarious opportunist elements which were sponging on the working-class movement he put forward a demand for a "Constituent Assembly" to be achieved through the Congress. During the Bombay Labour Week organized in 1930 by the National Congress he and his group put forward the slogan: "The workers and the peasants are the arms and the feet of the National Congress". With this advice to the workers to put themselves under the leadership of a bourgeois party, which had already disastrously betrayed them, Roy and

his supporters disrupted the trade union movement and made the split at the Calcutta Conference inevitable.

In spite of Roy's tactics the spirit of militancy among the workers was still strong. The defeat of the Bombay textile strike at the end of 1929 was clearly traceable to the defeatist tactics of the reformist unions and to the failure to extend the strike, and the consequent disillusionment of the workers with national reformist leadership brought about the victories of the militants at Nagpur and Lahore. As a result the advanced sections of the proletariat began an open struggle against the National Congress, and there was a final split of the Communist groups from "Left" national reformism. About this time the formation of a united illegal All-Indian Communist Party was attempted and a platform of action was published in 1930 which stated that "to ensure the victory of the Indian revolution, there is required a Communist Party of the proletariat, the leader and organizer of the toiling masses of our country. The building of a centralized, disciplined, united mass underground Communist Party is to-day the chief and basic task, long ago overdue, of the revolutionary movement for the emancipation of our country".

The building up of a working-class party on a Marxian basis greatly intensified the struggle of the proletarian vanguard against the leadership of the National Congress, who retaliated by an attack on the workers' organizations, carrying on a policy of splitting the trade unions. This splitting policy was made easier because many Indian Communists had identified the trade unions and the political parties. This was due to the fact that the first of the mass revolutionary trade unions—the Bombay Girni Kamgar Union—was active before the rise of a proletarian political party and therefore took the lead in the political activities of the Bombay workers in 1928–30. Hence the split in the

political movement was transferred almost automatically to the trade unions, and the disorganization of the revolutionary unions by the National Congress, assisted by such "Lefts" as Roy, Kandalkar, etc. was made easier. The communists made the mistake of allowing themselves to become isolated from the mass anti-imperialist movement and from the rank and file of the reformist trade unions, thus increasing the already enormous difficulties in the way of the creation of an independent party of the revolutionary masses. At the same time they did not differentiate sufficiently between the bourgeois leaders of the National Congress and the town and village petty bourgeoisie who had fallen under their influence, thus failing to win over certain elements whose support would have been of value. As a result of all these mistakes the communists found themselves unable to take a leading part in the anti-imperialist struggle, and the linking up of individual communists and communist groups throughout India into an All-Indian Party has not yet been effected. With this brief analysis of the forces involved we must now return to the actual events which followed the Lahore Congress of December 1929.

The upsurge of revolutionary feeling at the Lahore Congress could not be overlooked by the Congress leaders. For three months they managed to hold back the tide of revolt, and then it became clear that if they did not inaugurate their long promised campaign of civil disobedience they would be utterly discredited and lose all influence. The campaign was accordingly officially begun on April 6th, 1930, but attempts were made to sidetrack the movement, as far as possible, into harmless channels. Gandhi's widely advertised raids on the salt marshes in an endeavour to evade the Government salt tax constituted a step in this direction. But the masses were not to be so easily diverted; while various

Congress leaders (including Jawaharlal Nehru) became martyrs to the cause of illicit salt-making, strikes, riots and peasant risings took place throughout India. The Congress programme was confined to a passive resistance movement against the salt tax and against foreign cloth—a method of appearing to defy the British Government without causing it any real embarrassment, while at the same time increasing the profits of Indian mill-owners—but once civil disobedience had been proclaimed the Congress leaders had very little power to hold back the masses, who had learnt much since the betrayal of 1922. The doctrine of passive resistance had never had a very firm hold once passions were roused, and now that class-consciousness had begun to gain ground, communist ideas and slogans were beginning to take the place of the old Gandhist semi-religious ideas and symbols.

In some parts of the country Gandhi's hold was still very strong and the non-violent activities of his disciples were impressive; the boycott of foreign cloth and liquor was carried out with considerable effect, particularly in Bombay, shops were regularly picketed and crowds numbering tens of thousands attended the National flag salutation ceremonies and were beaten up or fired on by the police. News films were actually shown in England in which Indian passive resisters were seen sitting quietly under the merciless blows of police *lathis*. But in other districts where Gandhi's influence was not so strong the economic demands of the peasants and workers were put in the forefront and the campaign for non-payment of rent, taxes and debts led to violent resistance against revenue officers and police. In April 1930 police armouries at Chittagong (Bengal) were raided; Sholapur, a textile town about two hundred miles south-east of Bombay, was the scene of an uprising on May 8th. The textile workers went on strike and

held a demonstration under national revolutionary slogans: the police opened fire, killing 25 and injuring 100. The insurgents burnt down every police station and liquor shop in the city, as well as the Court-house and government buildings, and for a few days the city was in their hands. Reinforcements of British troops were rushed in and martial law was proclaimed on May 13th and operated with great ferocity. Strikes also took place in Bombay, Ahmedabad and Delhi cotton mills, and in the Rangoon dockyards, and there were disturbances in Calcutta, Karachi (near the Beluchistan frontier) and in many other parts of the country.

But the revolutionary upsurge reached its highest point in Peshawar, the centre of the North-West Frontier Province, where huge mass demonstrations were held in the middle of April. Troops were called in, an armoured car was burnt, and the soldiers fired on the crowd, killing 65 and wounding 150. The most significant incident in the rising was the refusal of two platoons of a crack Hindu regiment, the 18th Royal Garhwali Rifles, to fire on a Moslem crowd. They fraternized with the demonstrators, and some actually handed over their rifles. The troops had to be withdrawn and the city remained in the hands of the insurgents for a fortnight. Finally the city was occupied by overwhelming British forces after aerial reconnaissances. Seventeen men of the Garhwali Rifles were court martialled and received savage sentences, one was sentenced to transportation for life, another to 15 years' imprisonment, and the rest to terms of from three to ten years' rigorous imprisonment.

The seriousness of the position in the North-West Frontier Province was admitted in the Government of India Report for 1930-31 which stated:

For a full nine months—that is to say from March until December—circumstances were such that any

chance event, arising either from the disturbances within or the incursions from without—or a combination of the two—might have been sufficient to cause a disaster of the first magnitude. Probably at no time since British influence was first extended to the Frontier have conditions given cause for such acute anxiety as during the period under review.

When the Peshawar uprising took place the Haji of Turangsai, a frontier chieftain, answered the call of the insurgents and advanced to within 20 miles of the city with an army of his peasant followers. A general rising of the Afridis and other frontier tribesmen was only prevented by repeated R.A.F. bombing expeditions. The "Red Shirts", a Moslem peasant organization which began by accepting the Gandhi policy of non-resistance, grew rapidly in this Province from a membership of 700 to 25,000 and became militant under the Government's policy of bloody suppression, taking the hammer and sickle as its emblem for a period. From 1930 right up to the present time the Province has remained in a state of disturbance and many raids have been made by troops and R.A.F. squadrons both on "Red Shirt" villages and on the mountain fastnesses which are held by the Haji of Turangsai and his son, and many thousand tons of bombs have been dropped. Like the Youth League, with whom they were in close association, the Red Shirts have been outlawed and their leaders arrested, but they carry on guerilla warfare, spreading their propaganda and semi-revolutionary slogans widely among the peasantry.

The mass movement was met by the most savage repressive measures; troops, aeroplanes, tanks, guns and ammunition were sent to India and all the forces of the Crown were used to quell the insurgents. At the beginning of June 500 tons of bombs were dropped in the North-West Frontier Province, and by the end of August

the number of arrests was estimated at 20,000 to 25,000, Gandhi and the two Nehrus being among the prisoners. Non-political prisoners were released before their sentences were up to make room for political prisoners, but even so the gaols became overcrowded and many prisoners were herded into barbed wire enclosures. By the end of the year the number of prisoners had increased to 54,000.

Government by ordinance went on apace. By July 67 Nationalist newspapers and 55 printing presses had been shut down under the Press Ordinance. On May 30th two new ordinances were promulgated by the Viceroy, one making the incitement to non-payment of rent or taxes a non-bailable offence, punishable with six months' imprisonment and/or a fine; the other to prevent picketing and the boycott of public servants. It is interesting to note that the Labour Government and its Secretary for India, Mr. Wedgwood Benn, backed up the Government of India in its repressive measures so well that they received the plaudits of Conservative members of Parliament.

This was the background against which the Simon Commission made its report. The second volume of the Report (containing recommendations) was published on June 24th, 1930, and it was found that it did not even go as far as to repeat the Viceroy's vague promise of Dominion Status for India in the distant future. The "Recommendations" of the Simon Commission provided for a strengthening of the central authority, while giving a few specious concessions to the provinces. The provinces were to have Ministers responsible to the Legislatures, but chosen by the Governor, who can also over-ride their decisions; they were to have enlarged Legislatures, but the votes in these legislatures were not to be binding on the Ministries; they were to have enlarged electorates, from which, however, workers and

peasants were still to be excluded, and the communal basis of representation was to be maintained and extended. In all things that are essential to British rule (*e.g.* the Army, Finance and Justice) the Commission recommended centralization. The directly elected Legislative Assembly, it was recommended, should be replaced by a Federal Assembly consisting of delegations chosen by each of the Provincial Legislatures (with the addition later, it was hoped, of delegates from the Indian States) and twelve members nominated by the Governor-General as well as all the members of the Governor-General's Council. This Council was to be appointed wholly by the Governor-General. The enlargement of the electorate for the provincial legislatures from 4 per cent. to 10 per cent. of the population (which would not, of course, embrace the workers and peasants) was largely nullified by the power given to the Governor to declare a "state of emergency" and to arrogate to himself and persons nominated by him all the powers of the legislature.

The principle of "divide and rule" which has informed our Indian policy from the earliest days was carried further by the Simon Commissioners by their extension of the principle of communal electorates; and they sought to make the imperial power still more impregnable in the central government by drawing into it those British puppets, who represent the most reactionary element in Indian life. The proposals for the separation of Burma from India and for the restriction on the degree of provincial autonomy to be extended to the North-West Province were of special significance. (The North-West Frontier Province must be strongly held as a buffer between India and a possible alliance between Afghanistan and the Soviet Union.) Burma, which is inhabited by a homogeneous population, undivided by religious differences, borders on China, where

the Soviets were already gaining ground. It was therefore thought advisable to create a new Crown Colony as a buffer state between China and India. The General Council of Burmese Associations (a similar body to the Indian National Congress), which represents 99 per cent. of the Burmese people, has always opposed separation, and the recommendation of the Simon Commission (boycotted in Burma as in India) in its favour was no indication of Burmese opinion. The general election on the separation issue which took place in November 1932 resulted in a decisive victory for the anti-separationists.

But the most significant part of the Report was its attitude with regard to the Army. It stated that "for a very long time to come" it would be impossible for the Army "to dispense with a very considerable British element", and it therefore proposed to put it directly under the control of the Imperial authority, represented by the Governor-General acting with the Commander-in-Chief, who was to cease to sit in the Legislative Assembly. It proposed to eliminate any power over the Army at present possessed by the Central Legislative Assembly and to remove the Assembly's right of discussion of the Military budget (over £41,000,000 per annum). The excuse for this backward step was that the effective defence of India vitally affects "Imperial foreign policy, Empire communications, Empire trade, the general position of Britain in the East", and references were also made to "grave possibilities of internal disturbance". The Report offered no proposals for the alleviations of the terrible conditions of the Indian masses, admitted in the first volume, but put forward instead means of equipping the Imperial power for the most ruthless crushing of the "internal disturbances" likely to arise from these conditions. This is what it said:

There must be a power in India which can step in and save the situation before it is too late. There must be provided, as far as maybe, safeguards to ensure the maintenance of vital services. The Governor-General or the Governor, as the case may be, must be armed with full and ample powers.¹

The Round Table Conference, which was expected to hammer the Simon recommendations into the form of a Constitution acceptable to the Indian bourgeoisie, opened in London in November 1930 and was adjourned in January 1931. Its members, nominated by the Viceroy and his Councillors, consisted of Indian Princes and various landlords, big capitalists, etc., with expenses paid on a lavish scale. It discussed a Constitution on the lines suggested by the Simon Commission, but was significant mainly for the fervour with which the Indian Princes embraced the idea of Federation, and for the enthusiasm with which the British authorities welcomed these reactionary feudal elements. These puppets, held on their tottering thrones solely by the power of British bayonets, did what the British Government required of them in a way which was highly "surprising" to the writer of the Government Report for 1930-31, but not quite as surprising to those who understand their position. The bringing in of the Princes was an important stroke of British policy. It represents a deliberate attempt on the part of imperialist capital to put pressure on the Indian bourgeoisie by allying itself with the most reactionary elements of Indian life, the last relics of feudalism. These reactionary feudal elements are to be used not only, as in the past, to keep down the peasants in the Native States, but as a general bulwark against revolutionary elements, and as a permanent make-weight on the British side in the Federal Assembly.

The new constitution, which contained even more

¹ *Report of the Statutory Commission*, Vol. II.

safeguards and emergency powers for the Imperial power than had been proposed by the Simon Commissioners, was so far removed from the supposed ideal of self-government that it was necessary to divert attention to the glories of an All-India Federation. Colonel Haksar, representative of the Princes, speaking at the Conference on January 16th, described the real situation:

Now, as regards the Viceroy's emergency and certain other reserved powers, it is possible to comment that they constitute such a truncation of the body of responsibility as to reduce it to a grotesque farce, and therefore, what the proposed constitution sets up is ultimately a camouflaged despotic Government.

The adjournment of the Conference in January 1931, with the avowed object of getting the leaders of the Indian National Congress to call off the civil disobedience movement with a view to co-operating in the work of constitution-making, was crowned with success. The orders under which the Working Committee of Congress was declared illegal were withdrawn and Gandhi and other members of the Committee were unconditionally released from prison. After negotiations between Gandhi and the Viceroy a Pact was signed at Delhi by which Gandhi agreed to call off the disobedience movement in return for a partial amnesty for the 23,000 civil disobedience prisoners (only non-violent campaigners to be released) and a trivial alteration in the provisions with regard to salt collection. His original demand with regard to an inquiry into the excesses committed by the police was dropped, and both the Meerut prisoners and the Garhwali Rifles were carefully excluded from the amnesty. The National Congress, which met at Karachi at the end of March 1931, confirmed the capitulation of Delhi and appointed Gandhi himself to represent Congress at the next Round Table Conference meetings.

Gandhi's co-operation in the Round Table Conference without any condition as to dominion status was a complete sacrifice of principle and dealt a further blow to his prestige. Jawaharlal Nehru and S. C. Bose the "Left" leaders of Congress, in spite of many speeches against the Delhi Pact, both supported it in Congress and helped Gandhi to trick and stifle the Left Wing opposition.

Once more Gandhi had let down his followers, 7,000 of whom were left to rot in gaol while their leader fraternized with the Viceroy and allowed himself to be entertained in England by the "satanic" imperialist power against whom he had begged them to rebel. By this time, however, his ascendancy over the masses had been very definitely weakened by his frequent betrayals, and when he arrived at Karachi he was met by hostile mass demonstrations. That the change of front of the Congress leaders did not in any way represent the feelings of the rank and file was proved by the immense demonstrations in Cawnpore evoked by the execution on March 23rd of the Lahore prisoners, who had been convicted of a terrorist conspiracy. The extent of these demonstrations can be gauged by the fact that in the resulting conflicts with the police 141 were killed, 586 wounded and 341 arrested (*The Times*, March 31st 1931). Mass demonstrations against Gandhi also took place in Bombay on the day of his departure for London.

The real reason for Gandhi's capitulation was an economic one. The textile mill-owners, whose servant he was, and who had financed the satyagraha movement, were tired of the dislocation of business and loss of trade civil disobedience entailed. Provided they were allowed to continue the boycott of foreign cloth (the only substantial concession wrung from the Viceroy), they were prepared to co-operate with the Round Table Conference and to help hammer out a constitution

which, while leaving the dirty work of suppressing the masses in the hands of the British, would enable Indian capitalists to share in the profits of their exploitation. That is why Gandhi was accompanied to London, not by the Congress Working Committee as had been expected, but by mill-owners and other Indian capitalists. Once in London he agreed to the Government's scheme of so-called Federation, with a large number of Princes in both chambers—a scheme which dilutes both houses with a substantial percentage of reactionaries, bound by self-interest to the maintenance of British rule; he agreed also to the handing over of the defences, finances and foreign relations of India to the British Government. But the rock on which the Conference broke up was the question of the communal electorates, and the delegates returned to India leaving this to be settled arbitrarily by Mr. MacDonald.

Gandhi, on his return to India in December 1931, found that things had moved swiftly in his absence. Agrarian India was in a ferment. In order to understand the widespread state of revolt of the peasantry at this time it is necessary to go back a little and consider their economic conditions. By the end of 1929 the world economic crisis had seriously affected agriculture. In January 1930, India agrarian prices began to fall rapidly and by May 1931 they were below the level of 1873, while at the same time the burden of land revenue and rural indebtedness was rapidly increasing (*see* Chapter III). This unprecedented fall in agricultural prices and the growing burden of rent and taxes in proportion, the effect of which was intensified by the fall in value of the rupee (linked since 1925 to sterling), brought about a rapid development of peasant organizations, especially in the rice-growing districts of Madras and Bengal and among the jute cultivators of Bengal, Assam, and Orissa. A no-tax campaign encouraged by the Congress leaders

spread throughout many areas. In Berar in December 1930 the peasants revolted against the landlords and money-lenders and destroyed crops and property valued at over £40,000 throughout many areas. In the United Provinces a no-rent campaign was led by Congress, and in December 1931 over 100,000 peasants took the no-rent pledge. This campaign was successful in forcing the Government to reduce the land taxes in the United Provinces but was called off by the Congress when they felt it was getting out of hand, with the result that the relief was only temporary and insufficient. In Gujerat, where the peasants hold their land direct from the Government, hundreds refused to pay land revenue and saw their lands, crops, and cattle confiscated and sold by the British revenue officers. Mr H. N. Brailsford, who visited this district, wrote :

The Police, armed with rifles and *lathis*, made a practice of surrounding the disaffected villages and beating the peasants indiscriminately, with the *lathi* or the butt end of a rifle. I have forty-five narratives given to me personally by the victims, and in all but two cases I saw their wounds and bruises.

Manchester Guardian, June 27, 1931.

In the same letter Mr. Brailsford stated that the peasants' land and stocks were sold at nominal prices, so that for a tax of Rs. 40 a peasant might be stripped of all he possessed. He also testified to the extreme brutality of the police and officials in dispersing peaceful meetings, beating up students who protested, keeping prisoners for weeks crowded in open cages, etc.

In Burma the no-tax campaign had started as early as 1928 and it was only put down by the authorities at the expense of much brutality. From this time onwards the revolutionary movement in Burma was gathering way, and in December 1930 the first of a series of risings took

place, with the determined object of overthrowing the foreign oppressor and regaining Burma's freedom. The distress of the peasantry owing to the sudden collapse in the price of rice, which fell during the year 1930 from Rs. 150 per 100 baskets to about Rs. 65, "a figure substantially lower than any that has been known within the memory of living man"¹, was the main cause of the rising, and the added burden of the poll tax levied in November added fuel to the fire, with the result that the insurrection continued in sporadic outbursts until the end of 1931. The insurgents in certain districts numbered as many as 2,000 to 3,000, but they had few guns and were confronted by well-armed military police backed up by British troops. According to the official accounts, about 3,000 Burmese were killed or wounded by the end of October 1931, while the casualties on the police side were under 100. The trial of the insurgents in masses of several hundreds at a time was a sore travesty of justice, and as many as fifteen were executed in one batch.

Such was the situation among the peasantry in December 1931. The industrial workers were no less active and militant, and the railwaymen were preparing for a general strike. The situation was such that Congress feared complete loss of influence, and its provincial branches were demanding repudiation of the Pact and the renewal of mass civil disobedience. The Congress leaders were no longer able to hold back the movement, and Gandhi, faced with demonstrations of tens of thousands shouting "Down with Gandhi", "Gandhi the Traitor", was forced to yield to the pressure of the masses, or to lose for ever the remnants of his power over them. Consequently, the Congress Party, under his leadership, almost immediately proclaimed the revival of the civil disobedience movement and within a week of

¹ *India in 1930-31*, Government Annual Report.

his landing in India Gandhi retired once more to the peaceful seclusion of a privileged prisoner. From this time onward Gandhi endeavoured to sidetrack the civil disobedience movement by concentrating on the removal of "untouchability".

The Government, with Sir S. Hoare at the helm in Britain and Lord Willingdon in India, was in no mood for half measures, and answered by promulgating a further series of repressive ordinances. The Emergency Powers Ordinance, 1932 (the Bengal Ordinance of 1931) which was extended to Bombay, Bengal, the United Provinces, the Punjab and Delhi, gave Government officials or District Magistrates power to arrest (without warrant) and detain suspected persons, to take possession of property, to prohibit access to certain roads or districts, to require any person to reside in any specified area and to impose collective fines on inhabitants of "turbulent areas". The second part of this far-reaching ordinance created special tribunals of three for the trial of political offenders. There is no appeal against the verdicts of these tribunals, which may meet secretly and sentence the prisoner (in his absence should he be adjudged to have behaved improperly) to death or transportation for life. Other ordinances were: the Unlawful Instigation Ordinance (1932) which penalized any one who instigated non-payment of liabilities; the prevention of Molestation and Boycotting Ordinance; and the Unlawful Association Ordinance, 1932, which made it possible to outlaw societies disliked by the Government and to confiscate their funds. Under this last the Indian National Congress was declared illegal, and about 7,000 arrests were made, including 200 of the most prominent Congress leaders.

But even these brutal repressive measures did not suffice to keep India quiet. The boycott and civil disobedience movement continued, and risings, strikes and

disturbances broke out in various parts of the country. The most serious insurrections of 1932 took place in the native states of Kashmir and Alwar, where British troops had to be called in to protect the puppet rulers from the anger of the people they were oppressing beyond endurance. In January the people of Kashmir rose against their Maharajah (the notorious "Mr. A", who spent £150,000 on a sordid intrigue). The basic cause was the same as in Burma and other parts of India—the intense exploitation of the peasantry, aggravated by the agrarian crisis. But here there was an additional irritant, the fact that the despotic ruler and his corrupt officials were Hindus, while the majority of the people (2,500,000) are Moslems. The Moslems complained that their rights had been taken from them, and the peasants were suffering from the recent land settlement and the intolerable burden of State dues imposed by dishonest officials. The Maharajah's appeal for British troops was acceded to and the result was the increase of British influence in the State by the appointment of a British Prime Minister.

The peasants' revolt which arose in the native State of Alwar (Rajputana) in November had also an economic basis. The Maharajah of Alwar, a despotic prince who extorts a large revenue from his impoverished subjects, seems to have somewhat overstepped the line of discretion. According to the *Manchester Guardian* Calcutta correspondence the villagers complained that the revenue they were required to pay for land which was scarcely irrigated was out of all proportion to the revenue required from their neighbours in British India, who enjoyed the benefits of excellent irrigation schemes. They cited figures to show that they pay "between three and five times as much as men of the same stock pay in British India".¹ In certain districts the villagers drove

¹ *Manchester Guardian*, January 18th, 1933.

out the revenue officials who came to collect the dues and barricaded their villages against further attempts at coercion. By January 9th it was reported that 80,000 Meos (a Moslem tribe) were in insurrection, and British troops and R.A.F. planes were sent into the State. In accordance with long-established practice the dispatch of British troops to a native State renders the Government of India responsible for restoring order throughout the disturbed area, and for advising the State regarding the steps to be taken to obviate the necessity of further interference. Very little information as to the suppression of the insurrection got through the censorship, but on February 7th it was announced that the Maharajah had appointed a British revenue minister and British inspector general of police. Shortly afterwards, however, Captain Ibbotson, the revenue minister, threw up his post and returned to Delhi, complaining that the Maharajah would not give him the necessary powers to deal with the agrarian unrest. The next report that came through was that the Maharajah had started on a world tour and Captain Ibbotson was reinstated with full powers. So much for the supposed "sovereignty" of native princes.

India was now subject to an iron rule, Government by ordinance had abolished all personal liberty, the Press was effectively gagged, the Congress organizations were broken up and their leaders, together with a large number of rank and file members, were safely lodged in gaol. Meanwhile there were peasant risings in the native states and on the North-West Frontier, discontent and seething unrest among the railway and industrial workers; everywhere the most bloodthirsty and brutal repression. Such was the atmosphere in which the Committee set up to work out the details of the Constitution prepared its reports with regard to the "self-government" of India.

In July 1932 Mr. MacDonald issued his communal award, which carried the cherished imperialist principle of separate electorates to the most ridiculous lengths. It divided the electorate up into twelve separate categories, some with dual votes. The separate electorate for the depressed classes appeared in the award, although Gandhi had threatened to resist with his life this splitting of the Hindu vote. Consequently he commenced his much-advertised fast on September 20th, 1932, which resulted in an agreement between Caste Hindus and "Untouchables" providing a joint Hindu electorate, with seats earmarked for the "Untouchables" much in excess of those allotted in the Government scheme. From that time on Gandhi concentrated all his energies on the endeavour to obtain for the depressed classes entry into the temples. This absorption of the wily Mahatma in resolving the intricate tangles of the Hindu caste system is a very shrewd piece of strategy, for it absolves him from any responsibility with regard to the civil disobedience movement or the brutal methods taken by the Government to suppress it. It is a subtle method of diverting the less fervent away from the civil disobedience movement without taking the responsibility of actually calling it off, and is at the same time a manoeuvre against the British, who are trying to use the "Untouchables" against the Brahmins.

The *Mahratta* commented on January 15th, 1933:

We must note the fact that, at the present time, the leaders of the Congress are directing the attention of the people to the problem of abolishing "untouchability" and thus distracting them from the questions which have direct political importance. . . . It is not difficult to understand that the concentration of the attention of the people on the question of the untouchables, the right to enter the temple, is equivalent to repudiation of the

movement for which the Congress leaders and their supporters are now in prison.

In explaining the reduction of Congress prisoners from 17,000 in November to 14,000 in December, Sir S. Hoare said in the House of Commons :

The interest of many Congress workers has been diverted to Mr. Gandhi's campaign against untouchability.¹

To those of his followers who believed him to be sincere in his demand for national independence, the spectacle of the Mahatma sitting peacefully in his cell helping to make workable the British scheme for the more permanent subjection of India, while those who obeyed his call to civil disobedience were being flogged, shot, tortured or starved, without a single protest from their erstwhile leader, must have been highly instructive. In the meantime the real leaders of the mass movement, already imprisoned for four years in Meerut gaol, received the most savage sentences of transportation and imprisonment. With regard to those sentences Gandhi was silent.

On March 17th, 1933, the Government's proposals for the "Reformed Constitution of India" were at last issued in the form of a Government White Paper (Cmd. 4268) and a few days later Sir Samuel Hoare, Secretary of State for India, moved in the House of Commons that "a Joint Select Committee of Lords and Commons, with power to call into consultation representatives of the Indian states and of British India, be appointed to consider the future government of India and, in particular, to examine and report upon the proposals in the said Command Paper".² When the Joint

¹ Parliamentary Debates (Hansard), February 7th, 1933.

² *Ibid.*, March 27th, 1933.

Select Committee has reported the Government will put their final proposals in the form of a Bill.

Under the new Constitution India is to become a Federation of States and Provinces, and the whole scheme is dependent on the adhesion to the federation of the rulers of native states, containing not less than half the aggregate population of the native states. The keystone of the whole edifice is the Viceroy, who will act in the dual capacity of Governor-General of the Federation, and of Viceroy holding the powers of the Crown in relation to the States outside the Federal sphere.

To the personal administration of the Governor-General, representing the King, are reserved all matters of defence, external affairs and ecclesiastical affairs. He is also given "special responsibility" for certain purposes including: the prevention of grave menace to the tranquillity of India, the safeguarding of financial stability, of the interests of minorities, and of the rights of Indian States. The Governor-General has other very important powers, including the power to summon and dissolve the legislature, or to summon joint sessions of the two Houses, assent to or withhold assent from Bills. He also has certain Ordinance-making powers to be used in case of emergency. The Governors of the eleven Provinces are given similar "special responsibilities" with corresponding powers, confined in scope, of course, to the Province.

The Federal Legislature will consist of two Chambers—the Upper Chamber or Council of State, consisting of 100 members appointed by the Princes, 150 elected by the Provincial Legislatures, and 10 nominated members; the Lower Chamber will consist of 375 members, of whom 125 will be appointed by the Princes, and the others elected directly according to the seats allocated to each Province and to the several communities and interests in each Province. For the franchise for the Lower

Chamber qualifications are laid down the effects of which would be to enfranchise only two to three per cent. of the population.

The Provincial Legislatures are to be enlarged, and the allocation of seats and method of election are in accordance with the provisions of the Communal Award of August 4th, 1932. The franchise qualifications are somewhat lower than in the case of the Federal Legislature, but will only produce an electorate of some 14 per cent. of the population of British India. The reserved subjects, including law and order (hitherto administered by the Governor in Council) are to be transferred to Ministers responsible to the Legislature, but the wide powers given to the Governor under the "special responsibility" provision ensure that he will, when he chooses, have the final word in regard to these and all other subjects.

To speak of this scheme as a proposal for Indian self-government is merely one more example of Imperialist hypocrisy. It is quite clear from the foregoing that India, if this Constitution is accepted, will be governed, as in the past, by a British Governor-General and British Governors together with those British Residents and Political Agents who control the Indian Princes. The tiresome routine of local affairs will be graciously left to the guidance of Indian officials, provided always that they keep within the laws and regulations sanctioned by the British Governors, but all essential matters will be controlled by the Imperial powers.

Sir Samuel Hoare, in proposing the Government motion (House of Commons, March 27, 1933) said :

In India the Governor-General, the Provincial Governors and other high officials, are still to be appointed by the Crown. The security Services, the executive officers of the Federal and Provincial Govern-

ments, are still to be recruited and protected by Parliament. The Army, the ultimate power in India, is to remain under the undivided control of Parliament. These are no paper safeguards. Here are the heads of Government endowed with great powers and given, as I shall show in a few minutes later in more detail, the means of carrying those powers into effect. . . . The effect of these provisions is, broadly, this, that when in the exercise of his responsibilities a Governor feels constrained, for example, to differ from his Ministers the orders which he issues to the Services will be no less the legal orders of the Government than if they had resulted from his Ministers' advice.

Mr. Morgan Jones, in his criticism of the proposals, quoting Sir S. Hoare's statements that "it will be almost impossible, short of a landslide, for the extremists to get control of the federal centre," and that "it will be extremely difficult for them to get a majority in a Province like Bengal," asked, with considerable force: "What sort of Legislature do you call this, a Legislature which knows, to begin with, that the largest section of organized opinion in India has no hope of securing a majority inside it? What sort of Legislature is it where the most highly placed officer of the Crown can forbid the introduction of a Bill, and, when the Bill has passed the Legislature, can even withhold his signature from it? This thing is a sham."¹

But even so the safeguards are not sufficiently drastic to satisfy Mr. Winston Churchill and other Diehards, and the proposed Constitution remains the subject of controversy in England as well as in India. As Mr. Winston Churchill pointed out in the debate:

It will be a long controversy, because the procedure which is prescribed makes it impossible that the Bill to be founded upon the White Paper can become Law for

¹ Parliamentary Debates (Hansard), March 29th, 1933.

15 or 18 months, and, as I gather, three or more years may elapse after that before the system of Federal Government responsible at the centre of India can be brought into existence.¹

Sir Tej Sapru and the Indian Liberals accepted the constitution and began to agitate for the release of Gandhi and the other Congress prisoners in the not unfounded belief that they also—in defiance of the National Congress resolutions of 1927, 1928 and 1929—would accept it. It had been quite clear ever since Gandhi went to London that he was no longer prepared to put up even a sham fight against the British proposals, and that he was preparing the way for Congress acceptance of the new Constitution. Although he was forced by mass pressure to proclaim mass civil disobedience in January 1932 he was no longer interested in the movement, and his theatrical hunger strikes in connexion with “untouchability” were a method of side-tracking it and were used by Congress as a pretext for suspending mass civil disobedience. As a result of his second hunger strike in May 1933 Gandhi was released and he immediately used all his influence with Congress to get the mass civil disobedience movement called off. The Congress leaders met at Poona on July 12th and, while opposing the unconditional withdrawal of mass civil disobedience, authorized Gandhi to seek an interview with the Viceroy with a view to negotiating one of his famous compromises. The Viceroy, being acute enough to realize that all the compromising necessary would be done by the other side, refused, whereupon Gandhi called off the mass civil disobedience movement, but proposed individual civil disobedience and was sentenced on August 8th to one year’s imprisonment. As a result of another of his fasts he was released unconditionally on August 23rd, whereupon he discontinued the

¹ Parliamentary Debates (Hansard), March 29th, 1933.

fast, forgetting all about his promise to "fast unto death" unless the right of entry into the temples was conceded to the "untouchables".

The calling off of mass civil disobedience in July marked the final collapse of the Indian National Congress, which sent out instructions that "All Congress organizations should cease to exist for the time being" and soon gave up any attempt to organize individual civil disobedience. The Government showed its appreciation of the situation by releasing Congress prisoners all over India, and the Congress movement is virtually dead.

The acceptance of the Constitution by the bourgeois leaders is only of importance in so far as it serves to discredit them in the eyes of the masses. What Marx wrote in 1853 is equally true now if one includes the Indian with the English bourgeoisie:

All the English bourgeoisie may be forced to do will neither emancipate nor materially mend the social condition of the mass of the people, depending not only on the development of the productive power, but on its appropriation by the people. But what they will not fail to do is to lay down the material premises for both. Has the bourgeoisie ever done more? Has it ever effected a progress without dragging individuals and peoples through blood and dirt, through misery and degradation?

The Indians will not reap the fruits of the new elements of society scattered among them by the British bourgeoisie, till in Great Britain itself the now ruling classes shall have been supplanted by the industrial proletariat, or till the Hindus themselves shall have grown strong enough to throw off the English yoke altogether.¹

Looking back over the record of the past ten years it is plainly seen that Congress, under its bourgeois leader-

¹ "The Future Results of British Rule in India", by Karl Marx. —*New York Daily Tribune*, August 8th, 1853.

ship, has consistently played into the hands of British Imperialism. While claiming to lead the masses it has confused and disorganized them. Under the pretence of fighting for complete national independence it has made one compromise after another until it has at length slipped into the position of co-operating with a British Government in framing a Constitution which will fasten the shackles of imperialism on the Indian people more securely and permanently than ever before. Mr. S. C. Bose, Mr. M. N. Roy and the other so-called "Lefts" have merely added to the confusion, getting support from some of the revolutionary elements by condemning Gandhi on occasion, but always supporting him at times of crisis. Even after Gandhi's final betrayal Mr. Bose stated that he would be willing to reinstate him in the leadership if he would continue the civil disobedience movement. The best elements of the rank-and-file of the Congress movement are thoroughly disillusioned and are ready to renew the fight on a new programme, based on the linking up of the economic demands of the masses with an uncompromising struggle for national independence. With the deepening of the world crisis of capitalism the position of the Indian peasants and workers is becoming ever more desperate, and from their bitter experience of the treachery of Gandhi and other bourgeois leaders they have learned many lessons. New leaders are arising from the proletariat, class organizations are spreading and becoming more militant, and a deep revolutionary ferment is working throughout the land.

The Imperialist Government, with the help of the Indian landlords and capitalists, is directing its whole efforts to the holding down of the seething masses by bomb and bayonet. But once revolutionary ideas have spread it is impossible to hold down indefinitely a population of 350,000,000. A united front of all the revolu-

tionary elements is being built up under the only effective leadership—that of an independent working-class party. The task of the revolutionary leaders is by no means an easy one, but upon their success in securing for the proletariat the leadership of the revolutionary forces in India depends the possibility of a successful revolution. They must work in and through the trade unions, gain the confidence of the peasant organizations and the Youth Leagues, and identify themselves with all the day-to-day struggles of the workers and peasants. They must also lead the struggle to free the petty bourgeois nationalists from the ideas and leadership of the national reformists, and win over the best elements among them to the support of working-class aims and policy. It must also be remembered that the struggle is not an isolated one; the well-being of the workers and peasants of India is inextricably bound up with that of the workers of Great Britain, and the final victory can only be won if the workers of both countries stand shoulder to shoulder against the common oppressor.

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